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I N D E X

| <u>Witnesses:</u> | <u>Direct</u> | <u>Cross</u> | <u>Re-</u><br><u>direct</u> | <u>Re-</u><br><u>cross</u> | <u>By</u><br><u>Examiner</u> |
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| PETER LAZARE      | 457           | 460          |                             |                            |                              |
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| JEFFREY MEROLA    | 509           | 511          | 523                         | 528                        |                              |
| LAWRENCE ALONI    | 531           | 533          |                             |                            |                              |
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| 1  |                                       | <u>E X H I B I T S</u> |                 |
|----|---------------------------------------|------------------------|-----------------|
| 2  | <u>Number</u>                         | <u>MARKED</u>          | <u>ADMITTED</u> |
| 3  | STAFF LAZARE<br>#1.01,1.02 &2.0       |                        | 459             |
| 4  | REACT CROSS<br>#14                    | 462                    | 463             |
| 5  | #1,3(CORRECTED)&5<br>#2&4             |                        | 504<br>511      |
| 6  | #19<br>#10                            | 657                    | 678<br>679      |
| 7  | IIC                                   |                        |                 |
| 8  | #15<br>#15 & 16                       | 485                    | 492             |
| 9  | COMED                                 |                        |                 |
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| 11 | METRA<br>#17                          | 593                    |                 |
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| 13 | #1.0,1.1,3.0,3.1,<br>2.0,2.1-2.5,4.0, |                        | 614<br>614      |
| 14 | 4.1-4.4,7.0,5.0,5.1<br>8.0            |                        | 614<br>614      |
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1 JUDGE HILLIARD: On behalf of the Illinois  
2 Commerce Commission, I call Docket 08-0532.

3 The Illinois Commerce Commission  
4 versus Commonwealth Edison investigation of rate  
5 design, pursuant to Section 9-250 of the Illinois  
6 Public Utilities Act.

7 Can the parties identify themselves  
8 for the record please, beginning with staff.

9 MR. FEELEY: Representing the Staff of Illinois  
10 Commerce Commission, John Feeley and Carmen Fosco,  
11 Office of General Counsel, 160 North LaSalle Street,  
12 Suite C-800, Chicago, Illinois 60601.

13 MR. ROONEY: On behalf of Commonwealth Edison  
14 Company, John Rooney and Anne Mitchell, from the firm  
15 Sonnenschein, Nath & Rosenthal, LLP, 233 South Wacker  
16 Drive, Suite 7800, Chicago, Illinois 60606.

17 MR. BERNSTEIN: And also on behalf of  
18 Commonwealth Edison Company, Eugene Bernstein, Excel  
19 Business Services Company, 10 South Dearborn,  
20 Chicago, Illinois 60603.

21 JUDGE HILLIARD: Can the people from front to  
22 back please chime in.

23 MR. TOWNSEND: On behalf of the Coalition to  
24 Request Equitable Costs Together or REACT, the law

1     firm of DLA Piper, LLP, U.S. 203 North LaSalle,  
2     Chicago, Illinois 60601 by Christopher J. Townsend  
3     Christopher N. Skey, Amanda C. Jones and Cathy Yu.

4             MR. GOWER:   Ed Gower from the law firm of  
5     Hinshaw & Culbertson, LLP.   We are also in the U.S.

6                     I represent Metra.   Our address is  
7     400 South Ninth Street, Suite 200, Springfield,  
8     Illinois 62701.

9             MR. BALOUGH:   Richard Balough, Balough Law  
10    Offices, LLC, One North LaSalle, Suite 1910, Chicago,  
11    Illinois 60602.

12            MS. JENKINS:   Alan Jenkins for the Commercial  
13    Group, Jenkins At Law, LLC, 2265 Rozwell Road,  
14    Marietta, Georgia.

15            MR. ROBERTSON: Eric Robertson, Ryan Robertson,  
16    Lueders, Robertson & Kozen, P.O. Box 735, Granite  
17    City, Illinois 62040.

18                     Conrad Reddick 1015 Crest, Wheaton,  
19    Illinois 60189 on behalf of the Illinois Industrial  
20    Energy Consumers.

21            JUDGE HILLIARD:   Is that all the appearances?

22                                (No response.)

23                     Staff, would you call your witness  
24    please.

1           MR. FEELEY:   Sure.

2                       At this time, Staff would call Peter

3   Lazare.

4           JUDGE HILLIARD:   Mr. Lazare, would you raise

5   your right hand to be sworn.

6                               (Witness sworn.)

7                       PETER LAZARE,

8   called as a witness herein, having been first duly

9   sworn, was examined and testified as follows:

10                       DIRECT EXAMINATION

11                       BY

12                       MR. FEELEY:

13           Q    Could you please state your name for the

14   record.

15           A    Peter Lazare.

16           Q    And by whom are you employed?

17           A    Illinois Commerce Commission.

18           Q    Mr. Lazare, do you have in front of you a

19   document that's been marked for identification as ICC

20   Staff Exhibit 1.0, the direct testimony of Peter

21   Lazare in Docket No. 08-0532 that consists of a cover

22   page, a Table of Contents, 42 pages of narrative

23   texts and attached Schedules 1.01 and 1.02?

24           A    Yes.



1           MR. FEELEY: Your Honors, that was filed on  
2   E-Docket May 22, 2009.  
3   BY MR. FEELEY:  
4           Q     Was ICC Staff Exhibit 1.0 and its attached  
5   schedules prepared by you or under your direction,  
6   supervision or control?  
7           A     Yes.  
8           Q     Do you have any additions, deletions or  
9   modifications to make to ICC Staff Exhibit 1.0?  
10          A     No, I do not.  
11          Q     Mr. Lazare, do you have another document in  
12   front of you marked for identification as ICC Staff  
13   Exhibit 2.0, the rebuttal testimony of Peter Lazare  
14   in Docket No. 08-0532 dated October 2, 2009, which  
15   consists of a cover page and 22 pages of narrative  
16   text?  
17          A     Yes.  
18          Q     Was ICC Staff Exhibit 2.0 prepared by you  
19   or under your direction, supervision and control?  
20          A     Yes.  
21          Q     Do you have any additions, deletions or  
22   modifications to make to ICC Staff Exhibit 2.0?  
23          A     No, I do not.  
24          Q     If I were to ask you today the same series

1 of questions set forth in ICC Staff Exhibit 1.0 and  
2 2.0, would your answers be the same as set forth in  
3 those documents?

4 A Yes.

5 MR. FEELEY: Your Honors, at this time, Staff  
6 would move to admit into evidence ICC Staff Exhibit  
7 1.0 and attached schedules 1.01 and 1.02 and ICC  
8 Staff Exhibit 2.0, which is rebuttal testimony of  
9 Peter Lazare.

10 JUDGE HILLIARD: Objections?

11 (No response).

12 Hearing no objections, Staff 1.0,  
13 1.01, 1.02 and 2.0 will be admitted.

14 MR. FEELEY: Yes, Schedules 1.0, and 1.02.

15 JUDGE HILLIARD: Will be admitted in the  
16 record.

17 (Whereupon, Staff Lazare Exhibit  
18 Nos. 1.01, 1.02, 2.0 were  
19 admitted into evidence.)

20 MR. FEELEY: Mr. Lazare, we're going to switch  
21 seats now, so take a moment.

22

23

24

1 CROSS-EXAMINATION

2 BY

3 MR. TOWNSEND:

4 Q Good morning, Mr. Lazare.

5 A Good morning.

6 Q The technology working all right here? You

7 can hear us okay? You can see us?

8 A Yes.

9 Q Chris Townsend on behalf of REACT, the

10 Coalition to Request Equitable Allocation of Costs

11 Together.

12 Are you familiar with REACT?

13 A Yes.

14 Q You know REACT is made up of some of the

15 largest commercial industrial and municipal entities

16 in Northern Illinois, along with RESs that are

17 interested in potentially serving residential

18 customers, right?

19 A That's correct.

20 Q And in your rebuttal testimony, you

21 recommend that the Commission initiate a workshop

22 process to address some of the issues raised in this

23 proceeding, right?

24 A That's correct.

1           Q     You're aware that REACT issued a number of  
2     data requests related to your workshop proposal,  
3     right?

4           A     The staff, yes.

5           Q     Specifically, REACT issued to Staff REACT  
6     Data Request 1.01 to 1.06, correct?

7           A     Yes.

8           Q     Do you have those responses in front of  
9     you?

10          A     Yes.

11          Q     Those data requests and your responses  
12     relate to your view of the scope and content of the  
13     recommended workshop process, correct?

14          A     Yes.

15          Q     In your answer to Data Request 1.01, you  
16     indicate that Staff disagrees with the limitation and  
17     the scope of the workshop process as advocated by  
18     Mr. Alongi, right?

19          A     And in certain respects, we have also come  
20     agreement on issues, as well.

21          Q     Let me go ahead and mark this for the  
22     record, and if you could just take all of the pages  
23     as a single cross-exhibit here.

24                     We'll call this REACT Cross-Exhibit

1 Lazare 14.

2 (Whereupon, REACT Cross-Exhibit  
3 No. 14 was marked for  
4 identification.)

5 BY MR. TOWNSEND:

6 Q In Data Request 1.01 asks whether Staff  
7 supports a workshop process limited to only the  
8 specific issues identified by ComEd with Witness  
9 Alongi, correct?

10 A Correct.

11 Q And your response is:

12 "No, Mr. Lazare believes the  
13 process should also consider issues  
14 raised in this docket not otherwise  
15 resolved by the final order by other  
16 parties that are relevant to the  
17 development of this cost of service."

18 Correct?

19 A Yes.

20 Q So Staff believes the scope of the  
21 workshops, as suggested by Mr. Alongi in his  
22 surrebuttal testimony, would be too narrow, right?

23 A Yeah, I would believe that it should be  
24 expanded or it should be -- the opportunity should

1     arise for it to be expanded based upon the input of  
2     all parties to the case.

3             Q     And the other data requests in your  
4     responses, likewise, relate to that same view of what  
5     the scope, content and the procedures of the workshop  
6     process should be, correct?

7             A     Yes.

8             MR. TOWNSEND: Rather than go through each one  
9     of these, I move for the admission of REACT  
10    Cross-Exhibit Lazare 14?

11            JUDGE HILLIARD:  Objections?

12            MR. FEELEY:  No objection by Staff.

13            JUDGE HILLIARD:  Okay.  REACT Cross-Exhibit  
14    Lazare 14 will be admitted in the record.

15                               (Whereupon, REACT Cross Exhibit  
16                               No. 14 was admitted into  
17                               evidence.)

18    BY MR. TOWNSEND:

19             Q     In your rebuttal testimony, Mr. Lazare, you  
20     address the customer-care costs testimony of REACT  
21     Witness Merola; is that correct?

22             A     Yes.

23             Q     You would agree that, as a general matter,  
24     delivery services costs should be recovered in

1 delivery services rates, right?

2 A Yes.

3 Q And you agree, as a general matter, supply  
4 costs should be recovered in supply rates, right?

5 A Yes.

6 Q And you'd agree that, as a general matter,  
7 common costs that are incurred to provide both supply  
8 and delivery services should be recovered in both  
9 supply and delivery services rates, right?

10 A I would say for many. I don't know if I  
11 would say that's a general rule for all.

12 Q Do you agree with Mr. Merola that  
13 customer-care costs that are solely delivery services  
14 related should be recovered in ComEd's delivery  
15 services rates?

16 A Yes.

17 Q Do you agree with Mr. Merola that  
18 customer-care costs that are solely supply-related  
19 should be recovered in ComEd's supply rates?

20 A Yes.

21 Q Do you agree with Mr. Merola that common  
22 costs that ComEd incurs to provide both supply and  
23 delivery services, customer-care services should be  
24 recovered in both ComEd's supply rates and its

1 delivery services rates?

2 A Not necessarily.

3 And the example might be the cost of  
4 billing, which a general rule for utilities is that  
5 delivery services recover pretty much the full cost  
6 of billing even when it includes bundled service.

7 Q And do you suggest that the reason you  
8 oppose that is because the bundled and unbundled  
9 customers would be charged significantly different  
10 billing costs, correct? That's at Lines 307 to 308  
11 of your testimony.

12 A Right.

13 That's identified in my testimony.

14 Now, I've also, since been reviewing,  
15 for example, the single-bill option. And that  
16 single-bill option which would cover the credit that  
17 would be received if the ARES or the RES provided the  
18 bill for all service.

19 It's a relatively low number. It's for  
20 example residential customers 54 cents. And if you  
21 take away the cost of postage, you're looking at, you  
22 know, a little bit more than an a dime.

23 So I think clearly the cost of billing  
24 is far in excess of a dime. So I think the



1 Commission, in the past, when it came to single  
2 billing, the single-bill option has, I think,  
3 concluded that the bulk of billing costs should be  
4 with the delivery utility.

5 Q You did not actually present any  
6 calculation of the disparity in ComEd's rates that  
7 would result if the Commission were to adopt  
8 Mr. Merola's proposal, did you?

9 A No, I did not.

10 Q And you didn't present that analysis with  
11 regards to the single-bill option in the testimony,  
12 did you?

13 A No, I did not.

14 Q You'd agree that you did not actually  
15 present any analysis of which ComEd customer-care  
16 costs are supply-related and which ComEd  
17 customer-care costs are delivery-services related,  
18 right?

19 A I would agree.

20 Q You would agree that Mr. Merola assigns  
21 100 percent of the meter reading costs to the  
22 delivery services function, right?

23 A I'm pretty sure.

24 I mean, I read it a while back so I

1     might -- I'll accept that.

2           Q     Would you agree that if the underlying  
3     costs associated with providing customer-care  
4     services varies substantially between bundled and  
5     unbundled customers that the bundled and unbundled  
6     rates should be different?

7           A     Yes.

8           Q     In your rebuttal testimony, you suggest  
9     that Mr. Merola's analysis could set a precedence for  
10    other Illinois gas and electric utilities, right?

11          A     Yes.

12          Q     Did you present an analysis of other gas  
13    and electric utilities cost-of-service studies to  
14    demonstrate whether they already allocate  
15    commodity-related customer-care costs in the  
16    commodity portion of the rates?

17          A     No, I did thought.

18          Q     Do you know whether other Illinois gas and  
19    electric utilities track which customer-care costs  
20    are commodity related and which are delivery related?

21          A     I am not aware of any gas electric utility  
22    that does so.

23          Q     Did you perform an investigation as to  
24    whether or not they do or don't?

1           A     No, I did not.

2           Q     By the way, to the extent that

3     implementation of Mr. Merola's analysis resulted in

4     some future unintended consequence for bills of other

5     utilities, the Commission would have jurisdiction to

6     initiate a proceeding or reopen this proceeding or

7     take other action to address that, right?

8           A     Yes.

9           MR. TOWNSEND:   No further questions.

10                     Thank you.

11           JUDGE HILLIARD:   ComEd is top of the order

12     here.

13                     Are you ready to go?

14           MR. ROONEY:   Yes, I have just a few questions.

15                     CROSS-EXAMINATION

16                     BY

17                     MR. ROONEY:

18           Q     Good morning, Mr. Lazare.

19           A     Good morning.

20           Q     John Rooney on behalf of Commonwealth

21     Edison Company.

22                     Now, Mr. Lazare, as I said, I have

23     just a few introductory questions.

24                     You filed your rebuttal testimony in

1       this case on October 2nd of this year, correct?

2             A       Yes.

3             Q       And that was in response to ComEd rebuttal

4       testimony that was filed on June 19th of this year,

5       subject to check, if you take that as the date that

6       it was filed?

7             A       It was in response to intervenor's direct

8       testimony, but...

9             Q       Correct.

10                    So -- actually, that's correct, but in

11       terms of ComEd's testimony, that was filed on

12       June 19th of this year?

13             A       Yes.

14             Q       Okay. And at the time that you filed your

15       rebuttal testimony in this case -- I turn your

16       attention to Page 10 of your rebuttal testimony, 9

17       and 10. And there's a question and answer that

18       begins on Line 203 and an answer that ends on

19       Line 212.

20                    Let me know when you're there.

21             A       I'm there.

22             Q       And that's where you recommend a workshop

23       process to be held; is that correct?

24             A       Yes.

1           Q     And if I understand your answer, at the  
2     time you filed your testimony, you identified the  
3     scope of the workshops to be that set forth in the  
4     one sentence that begins on Line 208 and reads:

5                     "The workshop's to be led jointly  
6             by the Commission and Staff and open to  
7             all interested parties to examine issues  
8             such as the use of direct observations  
9             in developing estimates of primary and  
10            secondary costs and future data  
11            gathering efforts to ensure a more  
12            accurate differentiation of primary  
13            and secondary service costs."

14           A     Yes.

15           Q     And nowhere within your testimony, at that  
16     point in time, do you identify issues other than  
17     primary and secondary costs and issues related to  
18     primary and secondary costs that would be subject to  
19     a workshop, correct?

20           A     Yes, that's correct.

21           Q     And in the data request responses,  
22     Mr. Lazare, that have been identified as REACT Lazare  
23     Cross-Exhibit No. 14, you're asked a series of  
24     questions regarding your interpretation of the scope,

1 in part, the scope of the workshop process you  
2 proposed, correct?

3 A Yes.

4 Q As I understand your responses to these  
5 questions, the scope that you identify respond to  
6 issues that go beyond the primary and secondary costs  
7 that are identified in your rebuttal testimony,  
8 correct?

9 A They don't go beyond the scope presented in  
10 my rebuttal testimony, no.

11 The rebuttal testimony only presented  
12 examples. It didn't say that it would be limited to  
13 those items. It just identified a couple of examples  
14 of issues to address in the workshops.

15 Q I guess, that's where I'm interested in  
16 your -- the one sentence in your rebuttal testimony,  
17 because it states:

18 "Would examine issues such as  
19 the use of direct observations in  
20 developing primary and secondary  
21 costs and future data gathering  
22 efforts to ensure a more accurate  
23 differentiation of primary and  
24 secondary services costs."

1           A     Right, those are two issues of concern to  
2     me. And so those were two examples I presented in  
3     the rebuttal testimony. But there's nothing in that  
4     passage that seeks to limit the scope of the  
5     workshops to only those issues.

6                     If it was only those issues, it would  
7     have been crafted in a different manner.

8           Q     And is it your testimony then that you're  
9     not proposing any scope to the workshops, any  
10    limitations on the scope of the workshops?

11          A     No, I didn't say one way or another exactly  
12    what the extent of issues would be in that testimony.

13                     I just indicated it would address  
14    certain issues and at that point it was not  
15    specifically defined.

16          Q     But now -- I'm turning now to the  
17    Cross-Exhibit 14.

18                     As I read each of your answers, it  
19    speaks to that the Commission should consider other  
20    issues raised.

21                     So am I wrong in interpreting your  
22    data request responses that you're not suggesting a  
23    limitation to the workshop process?

24          A     No, I'm saying within that rebuttal

1 testimony, there's no specific language that says  
2 this -- these are the only issues that will be  
3 addressed in the workshops.

4 Q Okay.

5 A Now, when it comes to the responses to the  
6 data requests, well, at that juncture, I had a more  
7 specific set of limitations in mind for what should  
8 be addressed in the workshop.

9 So it was somewhat of an evolution of  
10 my thinking to what extent, what areas the workshop  
11 should go into, and those were the limitations I  
12 thought appropriate.

13 Q So in terms of timing of this evolution,  
14 REACT served these DRs to you, to Staff, on Friday  
15 afternoon, October 30th; is that correct?

16 A Yes.

17 Q Okay. And you responded to those yesterday  
18 morning, correct?

19 A Yes.

20 Q So that evolution then took place over the  
21 weekend?

22 MR. FEELEY: Objection; it's a  
23 mischaracterization of the witness' testimony.

24 MR. ROONEY: Well, he mentioned that his



1 thinking evolved after receiving the DRs.

2 JUDGE HILLIARD: I think he can answer the  
3 question.

4 THE WITNESS: Well, essentially what happened  
5 is in my rebuttal testimony, I thought it would be  
6 appropriate to hold workshops given some of the  
7 issues that arose with the availability of data on  
8 which to develop these costs studies. And the  
9 thinking just continued to evolve from that day I  
10 filed testimony until I responded to those data  
11 requests. And as I sat and thought about them more  
12 in more depth, I thought more specifically about what  
13 the limitations should be on those workshops.

14 BY MR. ROONEY:

15 Q Just so I better understand your response  
16 to these data requests, do I read these responses to  
17 indicate that if the Commission makes a determination  
18 in the final order in this case, that we would not be  
19 necessarily revisiting those issues in a workshop  
20 process?

21 A Well, it's difficult to say just because I  
22 can't anticipate exactly what the Commission is going  
23 to decide in its final order. But I think the point  
24 of the workshops is to see if there is some common

1 ground on which to move forward in terms of getting a  
2 more clear, better understanding of the cost of  
3 service for Commonwealth Edison Company.

4 And I don't think look upon it as a  
5 divisive manner, but just the opportunity without the  
6 pressure of the hearing process in which to explore  
7 and see if we can come up with some solutions that  
8 the parties feel comfortable with.

9 Q So to the extent that the Commission makes  
10 a determination on issues in this case, would you  
11 consider that to be resolved then?

12 A I assume that the Commission will make a  
13 decision about the workshop process, as well.

14 And if the Commission indicates that  
15 it's comfortable with the current process and doesn't  
16 feel workshop is necessary to pursue certain issues,  
17 then we'll all be guided by the Commission order.

18 Q And with regard to that, do you recall or  
19 were you present at a Commission meeting on  
20 August 25th of this year to address issues relating  
21 to the scope of this proceeding and data request  
22 issues?

23 A August 25th of?

24 Q 2009.

1           A     Yes, I did listen in to that.

2           Q     And one of the issues concerned the need  
3     for the Company to engage in studies to provide  
4     information that the Company doesn't currently have  
5     available.

6                     Do you recollect that discussion by  
7     the Commission?

8           MR. TOWNSEND:  I'm going to object to that.  I  
9     think that's a mischaracterization of the issues that  
10    were before the Commission at the time.

11                    Again, there was a very clear  
12    procedural route that led to a limited review by the  
13    Commission.  Certainly, the Commission was informed  
14    by the testimony it had presented in the case.

15           JUDGE HILLIARD:  I don't think that was the  
16    question.  I think the question was did he recollect  
17    the Commission's comments, something to that effect.

18                    You can answer the question,  
19    Mr. Lazare.

20           THE WITNESS:  I think you referenced it to the  
21    issues between ComEd and REACT regarding whether or  
22    not they had -- you had sufficiently responded to  
23    data requests or could respond to data requests and  
24    I'm certainly aware of that.

1 BY MR. ROONEY

2 Q And you're not suggesting by virtue of the  
3 responses that you gave in these DRs that the  
4 Commission should not consider what it has previously  
5 directed in this case?

6 A I don't understand your question -- what  
7 you're asking.

8 Q I'll withdraw it.

9 MR. ROONEY: Thank you.

10 I have no further questions.

11 JUDGE HILLIARD: CTA is the next one from left  
12 to right.

13 MR. BALOUGH: Your Honor, I have no questions  
14 of this witness. I may take some additional time  
15 with Mr. Alongi.

16 JUDGE HILLIARD: All right. IIEC you're up.

17 CROSS-EXAMINATION

18 BY

19 MR. ROBERTSON:

20 Q Good morning, Mr. Lazare.

21 A Good morning.

22 Q Did you enjoy your trip to Italy?

23 A I enjoyed the trip to Italy. I'm not so  
24 sure about the trip back.

1           Q     Well, my name is Eric Robertson. I  
2     represent the Illinois Industrial Energy Consumers.  
3                     And given your discussion of the  
4     workshops issues here today, it is my understanding  
5     that you are also generally in agreement with the  
6     thought that issues of concern to IIC regarding  
7     elements of the primary/secondary analysis as  
8     incorporated in the ComEd embedded cost-of-service  
9     study would also be legitimate issues to be discussed  
10    in the workshops; is that correct?  
11           A     Yes.  
12           Q     Now, am I also correct that in recommending  
13    the workshops, you were giving some recognition of  
14    the fact that there are legitimate concerns or may be  
15    legitimate concerns about the Company's embedded  
16    cost-of-service study and its primary and secondary  
17    analysis in this case?  
18           A     Yes.  
19           Q     And that your principal concern is that  
20    there may not be in certain instances enough data  
21    available in this case to implement any changes to  
22    the study and the primary/secondary split analysis  
23    that might otherwise be justified?  
24           A     Well, I think that -- you know, the

1     Company -- the Commission did ask for an alternative  
2     study. So there really was not an option here to not  
3     perform a study. And the Company has performed the  
4     study. And as I said, I still find it to be the best  
5     study in this proceeding; although, I have identified  
6     a number of concerns.

7             Q     As have other parties?

8             A     Correct.

9             Q     Now, Mr. Lazare, could you please refer to  
10    Page 4 of your rebuttal testimony.

11            A     Okay.

12            Q     Now, I think at Line 85, you mentioned 300  
13    customers; is that correct?

14            A     Yes.

15            Q     Now, would you agree that the 300 customers  
16    who take service at primary voltage are allocated a  
17    portion of the costs associated with line  
18    transformers that serve only customers at a secondary  
19    voltage?

20            A     Yes, to the extent that there's no credit  
21    for transformers.

22            Q     And, to your knowledge, has ComEd done  
23    anything in its primary/secondary analysis or its  
24    embedded study that would prevent line transformer

1 costs, such as the ones we were just discussing, from  
2 being allocated to customers taking primary  
3 voltage -- I'm sorry -- taking service at primary  
4 voltage?

5 A No, not to my knowledge.

6 Q Now, if you would look at Page 7 of your  
7 rebuttal testimony, Staff Exhibit 2.0.

8 A Okay.

9 Q And I direct your attention to Line 151  
10 where you use the phrase "receive service."

11 Do you see that?

12 A Yes.

13 Q Elsewhere in your testimony -- in fact, if  
14 you look at Lines 143 and 145, you use the phrase  
15 "take service."

16 Do you see that?

17 A Yes.

18 Q Do you use those phrases synonymously?

19 A Yes.

20 Q And when you use those phrases -- I know  
21 that you use the phrases elsewhere in your testimony.  
22 Are you referencing -- do you mean to describe a  
23 situation of a customer who is -- well, what did you  
24 mean by that phrase?

1                   What is your concept of "take service"  
2   or "receive service" at 151 when you say "at a  
3   primary level"?  
4           A     Well, primary level would be 4 kV and above  
5   so...  
6           Q     So it's the voltage level at which the  
7   customer takes service?  
8           A     Correct.  
9           Q     Now, would you agree or disagree that the  
10   voltage level at which a customer takes service is  
11   the voltage of the electricity entering the retail  
12   customer's premises?  
13          A     Yes.  
14          Q     Yes, you agree?  
15          A     Yes.  
16          Q     Now, is it correct that for the purposes of  
17   this case, you have accepted ComEd's demarcation  
18   point for the beginning of the secondary system?  
19          A     Yes.  
20          Q     Now, do you have your responses to IIC data  
21   requests here?  
22          A     Yes, I do.  
23          Q     Would you accept, subject to check, that in  
24   your response to IIC Data Request 1-3 (f), you



1     indicate your belief that a customer on a secondary  
2     conductor, 1 inch away from the transformer taft,  
3     should pay the same for delivery service as a  
4     customer two poles and maybe many feet of conductor  
5     away from the transformer?

6             A     That's not quite what I said.

7                     I said that --

8             Q     Hang on. Let me look at it.

9                     Okay. Mr. Lazare, looking at your  
10     answer, you added some qualifiers; did you not?

11            A     Yes.

12            Q     And if I get the gist of the qualifiers,  
13     would I be correct in assuming that basically you  
14     believe the line between secondary and primary needs  
15     to be drawn somewhere, and that depending on where  
16     you draw that line, you may have this kind of  
17     situation?

18            A     Yes. That if you draw the line, let's say,  
19     at a foot, then you can have somebody who is 1 foot  
20     and a quarter-inch away from the transformer in one  
21     bucket and one just slightly less in another bucket,  
22     and that's just by virtue of drawing a line.

23            Q     Now, in that circumstance in order to draw  
24     the line somewhere, to just arbitrarily pick a point,

1 we would have to ignore, perhaps, cost of service; is  
2 that correct?

3 A I don't know if I can agree with that.

4 Q Well, if the cost of serving the person on  
5 either side of the line is the same, wouldn't we just  
6 for the sake of drawing the line somewhere be  
7 ignoring cost-of-service principles?

8 A Well, cost-of-service principles say that  
9 you have to, when you're developing cost of service,  
10 put customers into categories.

11 And costing says that you arbitrarily  
12 draw lines; for example, you might have customers,  
13 nonresidentials, with a certain level of demand in  
14 one bucket; and then if they have 1 kilowatt addition  
15 and demands, that's in another bucket. So I think  
16 it's very consistent with costing principles to  
17 divide customers up by group, subgroup or by class.

18 And in each case, you're always  
19 drawing a line. And whenever you draw a line, you  
20 might find very comparable customers on either side  
21 of the line.

22 Q Okay. So the cost of service might be the  
23 same on either side of the line or should it be?

24 A It can be very close.

1           Q     But there should be some cost-of-service  
2     distinctions; should there not?

3           A     Well, for example, in a cost-of-service  
4     study, you might have nonresidential customers up to  
5     one level of demand in one customer class, and then a  
6     slightly higher demand in another class and there may  
7     not be any meaningful distinctions between the two.  
8     But that's the way ratemaking has been done for as  
9     long as I've been here, at least.

10          Q     So part of the -- one of the issues that  
11     would need to be addressed is whether or not the  
12     definition of the customer groups in each class was  
13     reasonable?

14          A     Are you talking about for the cost study or  
15     for the workshops?    I'm not clear for what.

16          Q     For a cost study.

17          A     Yes.

18          Q     Now, in response to 1-3, there was a chart  
19     that was included in that data request; was there  
20     not?

21          A     Yes.

22          Q     And you were asked a series of questions  
23     about that chart; were you not?

24          A     Yes.

1           Q     I'm going to mark Staff response to IIC  
2     Exhibit 1-3 as IIC Cross-Exhibit 1?  
3           JUDGE HAYNES:   15.  
4           MR. ROBERTSON:  I'm sorry?  
5           JUDGE HILLIARD:  The next exhibit number is 15.  
6                     Please give three to the reporter.  
7                             (Whereupon, IIC Cross Exhibit  
8                             No. 15 was marked for  
9                             identification.)  
10       BY MR. ROBERTSON:  
11           Q     Now, as a practical matter with regard to  
12     the customers shown in the chart in IIC -- your  
13     response to IIC Data Request 1-3, the chart shows a  
14     primary voltage conductor, a primary to secondary  
15     line transformer, wires that extend from the  
16     transformer to the secondary voltage to the  
17     conductors and to a service drop in Customer D.  
18                     Do you see that?  
19           A     Yes, I do.  
20           Q     Now, all the customers except Customer D  
21     are -- I'm sorry -- all the customers except  
22     Customers D and H are taking service from the  
23     secondary voltage conductor; is that correct?  
24           A     You said "except"?

1           Q     I'm sorry. All of them except D?

2           A     Yes.

3           Q     And as a practical matter, what

4 difference -- strike that.

5                     Is it your understanding that ComEd's

6 point of demarcation between the primary and

7 secondary system is at a connection where the two

8 wires running from the transformer connect with the

9 secondary voltage conductor?

10          A     That's my understanding.

11          Q     All right. Now, on either side of that

12 point of connection, would you agree that both the

13 wires running from the transformer and the secondary

14 voltage conductor are energized at a secondary

15 voltage?

16          A     Yes.

17          Q     And it's the same secondary voltage?

18          A     Yes.

19          Q     Now, notwithstanding ComEd's proposed

20 demarcation, could a reasonable demarcation between

21 the primary and secondary systems have been made at a

22 point where the primary lines attach to the top of

23 the transformer, enter the transformer?

24          A     Where the primary system -- well,

1     certainly, at a point within the transformer you are  
2     transitioning from primary voltage to secondary  
3     voltage.

4                     So, certainly, if you're looking just  
5     at the primary voltage on the system, my guess is  
6     that somewhere within that transformer, the primary  
7     voltage ends and the secondary voltage begins.

8             Q     Now, let me ask you a question at least in  
9     this example:

10                    If there were no secondary-voltage  
11     customers, would you even need the transformer?

12             A     If everyone kept service at the primary  
13     level?

14             Q     Yes.

15             A     No.

16             Q     Okay. So the function of the transformer  
17     is exclusively to provide service to secondary  
18     customers; is that correct?

19             A     Well, I would just make a distinction when  
20     you say "secondary customers."

21             Q     Well, in our example here.

22             A     Well, I make a distinction between D, H, F  
23     and G. I don't consider them all the same kind of  
24     secondary customers.

1                   My focus is on whether each of these  
2 customers uses the secondary distribution system, and  
3 that's the key -- that's what the difference has been  
4 between the IIC and the Company and where I disagreed  
5 as well about --

6           Q     Mr. Lazare, if I may, you have testified  
7 that, if I understand your testimony, that a  
8 demarcation point might be more appropriate somewhere  
9 in the middle of the transformer?

10          A     No, I just said that's where the voltage  
11 goes down from primary to secondary. But the issue  
12 here is allocation of the secondary distribution  
13 system.

14          Q     Correct.

15                   And you've accepted the Company's  
16 testimony on that issue. And my question to you is:

17                   Where else might it be reasonable to  
18 draw the demarcation point?

19                   And my question specifically is:

20                   If this transformer serves no other  
21 purpose than to reduce voltage from primary to  
22 secondary so that customers on the other side of the  
23 transformer can take service at secondary voltage,  
24 what function does it serve on the primary system

1     that it would be necessary to serve if there were no  
2     customers on the other side of the transformer taking  
3     voltage that's secondary?

4             A     Perhaps, I wasn't clear.

5                     But I see this as you have two issues  
6     here; one is the allocation of the transformer, and  
7     the second is the allocation of the poles and wires.

8                     For the transformer, I would agree  
9     with you that any customer receiving service at the  
10    primary level should not have to pay for any of the  
11    transformer costs that transform electricity from  
12    primary to secondary levels.

13                    And I think it would be inappropriate  
14    in the Company's rate design that these 300  
15    customers, if they're accurate, not be allocated any  
16    of these transformer costs.

17                    Now, there is a second issue with the  
18    poles and wires on, I guess, on which we would  
19    disagree.

20                    So I would say we have agreement that  
21    for transformers that those 300 customers, if that's  
22    an accurate estimate, should not pay for these  
23    transformer costs.

24             Q     I probably ought to give up that we have



1 agreement, Mr. Lazare.

2 Now, would you agree or disagree that  
3 the position of Commonwealth Edison with regard to  
4 the allocation of these transformers to a certain  
5 extent ignores or gives minimal weight to the  
6 function that the transformers actually serve?

7 A To the extent that they don't -- that they  
8 consider primary for allocation to all customers and  
9 don't exclude customers receiving service at the  
10 primary level, I think that would be inaccurate.

11 Q Just so we're correct, your statement was  
12 that my description was as accurate as opposed to an  
13 inaccurate representation; is that correct?

14 A Your point about the transformers, I think,  
15 was accurate.

16 Q Thank you.

17 Now, last set of questions,  
18 Mr. Lazare.

19 Do you have a copy of your response to  
20 IIC Data Request 1-5?

21 A Yes.

22 Q And is it correct that in that data request  
23 you are asked a series of questions about your  
24 testimony at -- your rebuttal testimony at Page 5,

1 Lines 108 to 114?

2 A Yes.

3 Q And there you're discussing whether or not

4 Mr. Stow (phonetic) indicated the relative sizes of

5 his three subsystems; is that correct?

6 A Yes.

7 MR. ROBERTSON: Rather than go through all

8 these, I would like to move for the admission as IIC

9 Cross-Exhibit 16, the Staff response to IIC Staff

10 Data Request 1-5.

11 JUDGE HILLIARD: Objection?

12 MR. FEELEY: No objection by Staff.

13 JUDGE HILLIARD: Hearing no objections, IIEC

14 Cross-Exhibit No. 16, which is the DR response, DR,

15 questions and answers will be admitted into the

16 record.

17 MR. ROBERTSON: No further questions.

18 Thank you, Mr. Lazare.

19 JUDGE HILLIARD: Do you want the other one, 15?

20 MR. ROBERTSON: 16. 1.3 is IIC Cross-Exhibit 15

21 and 1.5 is IIC cross --

22 JUDGE HILLIARD: I understand.

23 Do you want 15 in the record or not?

24 MR. ROBERTSON: Yes, please. I do.

1 JUDGE HILLIARD: Are there objections to 15?  
2 MR. FEELEY: No objection.  
3 JUDGE HILLIARD: 15 IIC Cross-Exhibit, Lazare  
4 15 will be admitted in the record.  
5 (Whereupon, IIC Cross Exhibit  
6 No. 15 and 16 were admitted  
7 into evidence.)  
8 MR. ROBERTSON: Thank you.  
9 JUDGE HILLIARD: Metra?  
10 CROSS-EXAMINATION  
11 BY  
12 MR. GOWER:  
13 Q Good morning, Mr. Lazare. How are you?  
14 A Good. How are you?  
15 Q I'm Ed Gower. As you know, I represent  
16 Metra.  
17 Mr. Lazare, as I understand your  
18 testimony, you have some criticisms of ComEd's  
19 analysis differentiating primary and secondary costs,  
20 correct?  
21 A Yes.  
22 Q And one of those criticisms is that ComEd  
23 has not actively reviewed studies of primary and  
24 secondary costs prepared by other utilities, correct?

1           A     Yes.

2           Q     And reviewing other utility studies, in  
3     your view, might enable ComEd to learn other  
4     utility's experience and avoid some of their  
5     mistakes, correct?

6           A     Correct.

7           Q     Another concern that you have is that ComEd  
8     relied too much on engineering judgment or  
9     assumptions about primary and secondary costs and did  
10    not do enough field inspections or direct  
11    observations to test or validate those assumptions;  
12    is that correct?

13          A     Yes.

14          Q     Now, to address your second concern, you  
15    recommend that ComEd do more direct observation and  
16    that workshops be conducted to identify ways in which  
17    Commonwealth Edison's analysis of primary and  
18    secondary distribution costs could be improved,  
19    correct?

20          A     Yes.

21          Q     The purpose for that refined analysis would  
22    be to ensure that costs were more accurately as  
23    assigned to the rate class that have caused ComEd to  
24    incur those costs in providing delivery services,

1 correct?

2 A Yes.

3 Q Conversely, the other purpose of that  
4 analysis, would be to try and ensure that ComEd's  
5 costs that are not incurred to serve a particular  
6 customer class are not assigned to that class for  
7 rate design purposes; is that correct?

8 A Correct.

9 Q Now, you also have concerns about ComEd's  
10 proposed assignments of transformers costs; is that  
11 correct?

12 A Yes.

13 Q Specifically, you recommended in your  
14 rebuttal testimony, at Page 7, Lines 150 to 153  
15 quote:

16 "The Company should be required  
17 in its next rate case to identify the  
18 non-high-voltage customers on the system  
19 receives service at the primary level.  
20 At a minimum, this information is  
21 necessary to ensure that this customer  
22 group is not allocated costs for  
23 transformers it does not need."

24 Do you recall that testimony?

1           A     Yes.

2           Q     You also testified at Page 17 of your  
3     rebuttal testimony at Lines 375 -- I'll give you a  
4     moment to get there.

5           A     I'm there.

6           Q     Lines 375 to 381. And, again, I'm going to  
7     quote:

8                     "However, based on information  
9     provided by ComEd, I find that all  
10    but 300 or so non-high-voltage  
11    customers shall be considered  
12    secondary from the standpoint of  
13    transformers.

14                    "Therefore, I would allocate  
15    transformer costs to all of the  
16    300 customers receiving service at  
17    primary voltages; thus, the effective  
18    differences in the two positions is  
19    that ComEd would allocate transformers  
20    costs to those 300 customers receiving  
21    power at the primary level while I  
22    would not."

23                    Do you see that?

24           A     Yes.

1           Q     And then just down below that same page at  
2     Lines 384 to 389, you also testified:

3                     "That cost causation would argue  
4             that these customers not be allocated  
5             transformers costs. A downward  
6             adjustment in their rates reflect  
7             this lower cost of service with  
8             no transformer costs would be  
9             appropriate.

10                    "The Company should propose  
11             rates in future cases for customers  
12             taking service at primary voltages  
13             that do not include any share of  
14             the transformer costs."

15                    Do you recall that testimony?

16           A     Yes.

17           Q     Now, your concern with the transformer  
18     issues is that rate classes should not be assigned  
19     costs for rate design purposes where the costs are  
20     not incurred in providing delivery services to that  
21     rate class; is that correct?

22           A     Yes.

23           Q     Have you read Mr. Bachman's testimony in  
24     this case?

1           A     Yes.

2           Q     And have you read the testimony of all the  
3 other witnesses in this case?

4           A     Yes.

5           Q     Okay.  So you're aware that Mr. Bachman  
6 testified that the railroad class uniformly only  
7 takes service at 12.5 kV and that the ComEd system at  
8 voltages below 12.5 kV has no service relevant to the  
9 railroad class, correct?

10          A     Yes.

11          Q     And you're also aware that Mr. Bachman's  
12 testimony is unrebutted and not controverted by any  
13 other party in this proceeding; is that correct?

14          A     That, I'm not sure of.  I didn't determine  
15 whether that's the case.

16          Q     Well, I'm going to --

17          MR. FEELEY:  I guess -- what is your question?

18          MR. GOWER:  My question was:  Is he aware that  
19 Mr. Bachman -- he is aware, is he not, having read  
20 everybody else's testimony, that Mr. Bachman's  
21 testimony on those two points is unrebutted and  
22 uncontroverted.

23          MR. FEELEY:  That's beyond the scope of that  
24 witness' testimony.



1 JUDGE HILLIARD: Either he knows or he doesn't.  
2 He said he doesn't.  
3 MR. FOSCO: Right.  
4 JUDGE HILLIARD: Move on  
5 BY MR. GOWER:  
6 Q Mr. Lazare, you would agree, would you not,  
7 that the railroad class is unique and it's the only  
8 class that has two members and uniformly takes its  
9 service at 12.5 kV, correct?  
10 A Well, I know it only has two members. And  
11 I know Mr. Bachman's testimony. I don't remember if  
12 CTA also is 12.5 and above.  
13 Q I'm going to ask you to accept, subject to  
14 check, that Mr. Bachman's testimony was that both CTA  
15 and Metra take service at 12.5 kV, and that no other  
16 witness has testified to the contrary. All right?  
17 A Okay.  
18 Q Now, would you agree -- you would agree,  
19 would you not, that under traditional ratemaking  
20 principles -- excuse me -- under traditional  
21 ratemaking cost causation principles that the  
22 railroad class should not be assigned any costs for  
23 that part of ComEd's system providing services at  
24 voltages less than 12.kV if those costs could be

1 reasonably identified without exorbitant expense;  
2 would you not?

3 A Well, I mean, if you're talking about  
4 traditional principles, in the past, there have not  
5 been voltage differentiation in cost studies for  
6 ComEd, so I mean, that's one tradition.

7 And there's also been issues about the  
8 extent to which customers should be broken down into  
9 rate classes.

10 But I think, based upon traditional  
11 principles, I'm not sure if that was necessarily  
12 argued for differentiation at the 12.5 kV level.

13 Q Under traditional cost causation  
14 principles, should the customer class be assigned  
15 costs that were not incurred in providing service to  
16 that class?

17 A Generally, to the extent practicable.

18 Q And I would assume then that you would also  
19 agree that ComEd should not assign to the railroad  
20 class the costs of its distribution system carrying  
21 voltages less than 12.5 kV to the extent that it's  
22 reasonably practicable for ComEd to identify those  
23 costs; is that correct?

24 A That would be fair.

1           Q     And so you would recommend that the cost of  
2     service to the railroad class warrants further  
3     analysis, either as part of the workshop you  
4     recommended or by ComEd in the next rate case; would  
5     you not?

6           A     Well, I think it would be reasonable to  
7     determine whether or not it would be feasible to do  
8     that kind of differentiation.

9           Q     And that's something that should be  
10    explored either in the workshop or as part of ComEd's  
11    next rate case; is that correct?

12          A     Certainly, if a party to the workshop  
13    wanted to explore it, I think it would it be  
14    reasonable.

15          MR. GOWER:   Thank you very much.

16                   I have no further questions.

17          JUDGE HILLIARD:   That's all the cross for this  
18    witness, I believe.

19                   Anybody else?

20                   Is there redirect?

21          MR. FEELEY:   Does CTA have anything?

22          JUDGE HILLIARD:   CTA waived their cross.

23          MR. FEELEY:   Peter, can we take a quick break?

24          MR. FOSCO:    Judge?

1           MR. FEELEY: Judge, can we take a quick break?

2           JUDGE HILLIARD: Well, Peter said it's okay, so

3           it's okay.

4                               (Laughter.)

5                               (Whereupon, there was

6                               a change of reporters.)

7           JUDGE HILLIARD: I guess everybody's here that

8           needs to be.

9           MR. FEELEY: We have no redirect of Mr. Lazare.

10          JUDGE HILLIARD: Okay. I guess there's no

11          recross.

12                            Thank you, Mr. Lazare.

13          THE WITNESS: Thank you.

14          JUDGE HILLIARD: Disconnect us.

15          JUDGE HAYNES: Just hit the power button, the

16          power strip there.

17                            (Discussion off the record.)

18          JUDGE HILLIARD: Mr. Merola, were you sworn in?

19          THE WITNESS: I have not been, no.

20          JUDGE HILLIARD: All right. Mr. Merola and --

21          is Mr. Alongi here?

22                            Raise your hand to be sworn, if you

23          haven't been already.

24

1 (Witnesses sworn.)

2 JUDGE HILLIARD: All right. Thank you.

3 MR. TOWNSEND: Before we begin with Mr. Merola,  
4 we do have the testimony of Mr. Fults that we will  
5 file electronically, but we'd like to note for the  
6 record.

7 (Discussion off the record.)

8 MR. JOLLY: While we're doing that, can I do  
9 Mr. Bodmer as well? Mr. Bodmer had no cross.

10 JUDGE HAYNES: Well, let's finish with --

11 MR. TOWNSEND: So on behalf of REACT, we have  
12 previously filed on eDocket on May 22nd, 2009 the  
13 direct testimony of Bradley O. Fults, consisting of  
14 Exhibit 1.0, 1.1, 1.2, 1.3, 1.4, 1.5 and 1.6.

15 Additionally, we timely filed the  
16 rebuttal testimony of Mr. Fults and filed a corrected  
17 version of his rebuttal testimony on October 9th,  
18 2009, which is REACT Exhibit 3.0. Later today, we  
19 will file a verification from Mr. Fults with that  
20 testimony which we'll label REACT Exhibit 5.0.

21 JUDGE HAYNES: Okay. You just handed me a copy  
22 that has REACT 5.0 up here. Is it supposed to be the  
23 rebuttal is 3.0 and the affidavit is 5.0?

24 MR. TOWNSEND: The rebuttal should be -- oh.

1     No.   What we've attached here actually is the  
2     testimony from his prior case, which --

3             MR. SKEY:   Those were exhibits to his direct  
4     testimony.   So we included hard copies of that as  
5     well.

6             MR. TOWNSEND:   We've given you the hard copies  
7     which are his testimony from the prior case, which  
8     was REACT Exhibit 5.0 in the prior case.

9             JUDGE HAYNES:   Okay.

10            MR. TOWNSEND:   All right?   So that's the full  
11   package right there, okay?

12            JUDGE HAYNES:   And have you filed his affidavit  
13   yet in this docket?

14            MR. TOWNSEND:   Not yet.

15            JUDGE HAYNES:   Okay.   Are there attachments to  
16   3.0?

17            MR. TOWNSEND:   No, there are not.

18            JUDGE HAYNES:   Okay.

19            JUDGE HILLIARD:   So what you handed us in two  
20   parcels is the complete package, because we got one  
21   1.0 to something with attachments.

22            JUDGE HAYNES:   No.   We should just go ahead and  
23   let file on eDocket.   And if you want to provide us  
24   with hard copies, that's fine.

1           MR. TOWNSEND:   Okay.   We'll do that in a manner  
2   that has actually has the tabs.   So that it's  
3   referenced back to the exhibit numbers in this case.  
4           JUDGE HAYNES:   Okay.  
5           MR. TOWNSEND:   We'll do that later on today.  
6           JUDGE HILLIARD:   All right.   Any there  
7   objections?  
8                           Hearing no objections, REACT  
9   Exhibit 1.0 with attachments 1.1, 1.2, 1.3, 1.4, 1.5  
10   and 1.6, REACT 3.0 and REACT 5.0 will be admitted in  
11   the record.  
12          JUDGE HAYNES:   And just to be clear, it's REACT  
13   corrected 3.0.  
14          JUDGE HILLIARD:   Corrected 3.0.   That's  
15   correct.  
16          MR. TOWNSEND:   That's correct.  
17          JUDGE HILLIARD:   All right.  
18                           (Whereupon, REACT  
19                           Exhibit Nos. 1, 3 Corrected and 5  
20                           were admitted into evidence as  
21                           of this date.)  
22          JUDGE HILLIARD:   Mr. Jolly?  
23          MR. JOLLY:   First, can I enter my appearance.  
24                           Appearing on behalf of the City of

1 Chicago, Ronald D. Jolly, 30 North LaSalle,  
2 Suite 1400, Chicago, Illinois 60602.

3 The City -- may I approach? For Judge  
4 Hilliard and for you, Judge Haynes.

5 The City submitted the direct  
6 testimony of Edward C. Bodmer, City Exhibit 1.0, on  
7 May 22nd. We filed a revised version of that on  
8 October 16th.

9 Today, we will be filing a second  
10 revised version which is included in the packets that  
11 I gave you. So it'll be City Exhibit 1.0, second,  
12 revised, that I would like to move for the admission  
13 of. It's just an errata just correcting typos and a  
14 couple misspelled words.

15 JUDGE HILLIARD: All right.

16 MR. JOLLY: I mean, if you want --

17 JUDGE HILLIARD: Don't you have rebuttal  
18 testimony, too?

19 MR. JOLLY: Yes. Okay. And then the City  
20 filed Mr. Bodmer's rebuttal testimony on October 2nd  
21 on eDocket and served on all the parties.

22 We are going to file an errata to that  
23 and a revised version of Mr. Bodmer's rebuttal  
24 testimony today on eDocket and serve it on the



1 parties.

2 And we'd move for the admission of  
3 City Exhibit 2.0 revised.

4 JUDGE HILLIARD: All right.

5 The rebuttal testimony is Exhibit 2.0?  
6 You didn't mention it.

7 MR. JOLLY: Yes, City Exhibit -- yes. City  
8 Exhibit --

9 JUDGE HILLIARD: All right.

10 MR. JOLLY: Yes, the rebuttal testimony is City  
11 Exhibit 2.0. The version with that incorporates the  
12 errata that will be filed today will be City  
13 Exhibit 2.0 revised.

14 JUDGE HILLIARD: All right.

15 JUDGE HAYNES: And are there any attachments to  
16 either of those exhibits?

17 MR. JOLLY: No, there are no attachments.

18 And the City will also file City  
19 Exhibit 3.0, which will be Mr. Bodmer's affidavit  
20 attesting to those two documents.

21 Mr. Bodmer is out of the country  
22 currently. He will be back in the country next week  
23 and so we won't be able to file it until next week.

24 JUDGE HILLIARD: Mr. Rooney, you have something

1     you want to say?

2             MR. ROONEY: I have no doubt that -- to

3     question Mr. Jolly, but we haven't seen the one

4     corrected, the second revised direct.

5             MR. JOLLY: Sure.

6             MR. ROONEY: And we'll just maybe ask if you

7     could reserve ruling on that until we have a chance

8     to look at it and we can notify the ALJs.

9             JUDGE HAYNES: You'll do that by the end of

10    this hearing today?

11            MR. ROONEY: Maybe over lunch.

12            MR. JOLLY: Yeah, definitely. I could bring --

13    I could send it out over lunch, too.

14            JUDGE HILLIARD: All right. It'd be good to

15    get it done by the end of the day.

16            MR. BERNSTEIN: Can you bring it here?

17            MR. JOLLY: I actually have a couple copies

18    here, too.

19            MR. BERNSTEIN: That's fine.

20                    So we'll let you know after lunch.

21            JUDGE HILLIARD: So we'll hold off on that.

22    Remind us, Mr. Jolly, to take care of it so we can

23    close the record.

24            MR. JOLLY: Okay. I will.

1 JUDGE HILLIARD: Anybody else?

2 Okay.

3 MR. TOWNSEND: One other issue, your Honor,  
4 before we call Mr. Merola.

5 We do have two outstanding  
6 on-the-record data requests. This morning, I had a  
7 discussion with Mr. Rooney about both of those. He  
8 directed us to a data request response to the -- on  
9 the data -- on-the-record data request for the work  
10 papers regarding the billing calls versus the supply  
11 calls to the call center.

12 And he's following up further to see  
13 if there were work papers associated with that  
14 because as you might recall, there was a specific  
15 reference to a work paper that was prepared by  
16 Mr. Leahy, and the data request response just doesn't  
17 have that.

18 And then there also was the  
19 on-the-record data request for the updated switching  
20 projections, which I think Mr. Rooney's going to  
21 address after the lunch hour.

22 MR. ROONEY: Correct.

23 JUDGE HILLIARD: So you don't need us to do  
24 anything in regard to those right now?

1           MR. TOWNSEND: Not at this point. But I just  
2 wanted to -- both of those are still outstanding.  
3           JUDGE HILLIARD: In process. All right.  
4                        Would you introduce us to Mr. Merola.  
5           MR. TOWNSEND: REACT calls Jeffrey Merola.  
6                        JEFFREY MEROLA,  
7 called as a witness herein, having been first duly  
8 sworn, was examined and testified as follows:  
9                        DIRECT EXAMINATION  
10                      BY  
11                      MR. TOWNSEND:  
12           Q   And you've been previously sworn, correct?  
13           A   I have.  
14           Q   And do you have before you REACT  
15 Exhibit 2.0 entitled The Direct Testimony of Jeffrey  
16 Merola, with REACT Exhibits 2.1 through 2.7 attached?  
17           A   I do.  
18           Q   And do you intend for that to be your  
19 direct testimony in this proceeding?  
20           A   Yes, I do.  
21           Q   And was it prepared by you or under your  
22 direction and control?  
23           A   Yes, it was.  
24           MR. TOWNSEND: And, your Honors, that was filed

1 on eDocket on May 22nd, 2009.

2 BY MR. TOWNSEND:

3 Q Do you also have before you, Mr. Merola,  
4 REACT Exhibit 4.0, corrected, entitled The Rebuttal  
5 Testimony of Jeffrey Merola?

6 A I do.

7 Q And attached to that are REACT Exhibits 4.1  
8 corrected, 4.2, 4.3, 4.4, and 4.5, correct?

9 A That's correct.

10 Q And do you intend for that to be your  
11 rebuttal testimony in this proceeding?

12 A Yes.

13 Q And was that prepared by you or under your  
14 direction and control?

15 A Yes, it was.

16 MR. TOWNSEND: Your Honors, that was filed on  
17 eDocket on October 9th, 2009.

18 And with that, we move for the  
19 admission of REACT Exhibit 2.0 and 2.1 through 2.7 as  
20 well as REACT Exhibit 4.0 with attachments 4.1  
21 corrected, 4.2, 4.3, 4.4 and 4.5.

22 JUDGE HILLIARD: Hearing no objections, REACT  
23 2.0 with Attachments 2.1, 2.2, 2.3, 2.4, 2.5, 2.6 and  
24 2.7 and REACT 4.0 with Attachments 4.1, 4.2, 4.3, 4.4

1       and 4.5 will be admitted in the record.

2                               (Whereupon, REACT  
3                               Exhibit Nos. 2 and 4 were  
4                               admitted into evidence as  
5                               of this date.)

6               MR. TOWNSEND:   And we tender the witness for  
7       cross-examination.

8               JUDGE HILLIARD:   Mr. Rooney?

9               MR. ROONEY:   Mr. Bernstein.

10              JUDGE HILLIARD:   Mr. Bernstein.

11                               CROSS-EXAMINATION

12                               BY

13                               MR. BERNSTEIN:

14              Q       Good morning, Mr. Merola.   I'm  
15       Gene Bernstein representing ComEd this morning.

16              A       Good morning, Mr. Bernstein.

17              Q       I'll try to keep my voice up.   But if you  
18       can't hear me, please speak up.

19              A       Yeah, there's some ventilation right above  
20       me.   So...

21              Q       I have a tendency to get quiet.   So let me  
22       know.

23                               Please turn to your Exhibit 4.3  
24       attached to your rebuttal testimony.   It's a one-page

1 chart of data.

2 A Okay. I have it.

3 Q Directing your attention to the figure in  
4 the lower right-hand corner of that page, that is in  
5 Column J, Line 5, see the figure 87 -- well, I'm  
6 going to round this -- \$87.97 million?

7 A Yes, I see it.

8 MR. TOWNSEND: It's 87.97 million. Is that  
9 what you said?

10 MR. BERNSTEIN: Yes.

11 BY MR. BERNSTEIN:

12 Q Yesterday, your counsel asked about the  
13 total customer care costs that you, Mr. Merola, would  
14 allocate the supply function in, and you referred to  
15 a figure 88-point -- I'm sorry, \$88 million.

16 The \$88 million figure is the 87.97  
17 figure that we just referred to in your exhibit,  
18 isn't it?

19 A That is correct. Rounded up.

20 Q Right.

21 Now, this exhibit, REACT Exhibit 4.3,  
22 shows your proposal to allocate customer care costs  
23 between the delivery and supply functions --

24 A That is correct.

1 Q -- correct?

2 Just to put it in some perspective,  
3 Column A on this page shows the functional categories  
4 in which you've grouped the costs, correct?

5 A Correct.

6 Q And B shows the total costs, some \$285  
7 million, which you regard as the customer care costs  
8 to be addressed in your testimony, correct?

9 A Yes. Those come out of the ComEd E-costs  
10 directly out of the same functional categories that  
11 ComEd allocates to the customer care costs.

12 Q All right. Let's for the moment put aside  
13 Column C and D on this exhibit.

14 Column E shows the costs that you say  
15 remain to be allocated between the delivery and  
16 supply functions, putting aside the costs that you  
17 would directly assign to supply that are handled in  
18 Columns C and D, correct?

19 A I'm sorry. I didn't understand the  
20 question.

21 Q Let me try to say it more clearly.

22 Putting aside for the moment Columns C  
23 and D which pertain to costs you would directly  
24 assign to either supply or delivery, Column E shows



1 the costs that you say remain to be allocated between  
2 the delivery and supply functions, correct?

3 A To be clear, Column E is the residual.

4 After you take the total costs, you  
5 directly assign the appropriate cost to the delivery  
6 function as ComEd has identified, and then you  
7 allocate the cost of the supply function. So the  
8 remaining costs that cannot be directly assigned are  
9 those costs that are in Column E.

10 Q And, arithmetically, Column E is simply  
11 Column B minus Column C and D, right?

12 A Correct.

13 Q Now, Column F shows the allocator that you  
14 used to split those costs between delivery and  
15 supply, correct?

16 A That is correct.

17 Q The Lines 1, 2, and 3 of Column F each show  
18 50 percent?

19 A Correct.

20 Q Is there an attachment to your testimony  
21 that calculates those 50 percent factors?

22 A It is not an attachment. It is part of my  
23 direct testimony.

24 Q So there is no attachment that calculates

1 the 50 percent?

2 MR. TOWNSEND: Asked and answered.

3 JUDGE HILLIARD: Sustained.

4 BY MR. BERNSTEIN:

5 Q Mr. Merola, would you point me to the  
6 attachment in your testimony -- to your testimony  
7 that provides the calculation?

8 MR. TOWNSEND: Mischaracterizes the witness's  
9 testimony.

10 JUDGE HILLIARD: He said there is no  
11 attachment.

12 MR. BERNSTEIN: Thank you. He didn't say there  
13 was none.

14 BY MR. BERNSTEIN:

15 Q Is there a work paper that shows your  
16 derivation of the 50 percent figure?

17 A No, there is not a work paper.

18 Q Now, applying those 50 percent figures on  
19 each of the Lines 1, and 2 and 3 to the costs in  
20 Column E leads to the resulting allocations in  
21 Columns G and H, correct?

22 A Correct.

23 Q And adding in the amounts shown on Column D  
24 produces the amounts shown in Column J, right?

1           A     Adding Columns D to Column H results in the  
2     Column J.

3           Q     Right.

4                     And adding the amount in -- and that  
5     amount in J then represents, as you said before, the  
6     total amount you would allocate to the supply  
7     function, correct?

8           A     Correct.

9           Q     And, again, that's the \$87.97 million  
10    figure shown in Line 5 of J?

11          A     Correct.

12          Q     Now, let's focus for a moment on Line 4,  
13    metering services.

14                     So long as customers are billed for  
15    supply service based on usage, a meter is needed to  
16    serve that customer, right?

17          A     Correct.

18          Q     Similarly, so long as customers are billed  
19    for delivery service based on usage, a meter is  
20    needed in order to send the customer a bill for  
21    delivery service, right?

22          A     I'm sorry. Could you say that one more  
23    time? I didn't --

24          Q     So long as customers are billed for

1 delivery service based on usage, a meter is needed in  
2 order to send the customer a bill for delivery  
3 service, right?

4 A I don't know that it's exclusively usage.  
5 It could be use and/or demand components, depending  
6 on the calculation necessary for the bill.

7 Q Hm-hmm.

8 I'm not distinguishing between  
9 kilowatt hours and kilowatts; but one way or the  
10 other, we have to have a meter that records in one  
11 form or another either kilowatts or kilowatt hours  
12 the customer's usage in order to be able to bill the  
13 customer for delivery services, right?

14 A Correct.

15 Q Yet, in Column J on Line 4, you've  
16 allocated none of the costs of providing metering to  
17 the supply function, correct?

18 A That is correct.

19 Q Isn't metering a service that pertains to  
20 both the supply function and the delivery function?

21 A I believe metering is a unique service in  
22 and of itself that is part of ComEd's role currently.  
23 It certainly could be done by other parties, but it  
24 is a unique activity that supports of the overall

1 business need.

2 MR. BERNSTEIN: Your Honors, I don't want to  
3 strike that response, but I don't think he quite  
4 answered the question.

5 I asked him whether it's true that  
6 metering service pertains to both supply and delivery  
7 functions. I don't think he quite gave a yes or no  
8 answer to that question.

9 JUDGE HILLIARD: Why don't you ask him another  
10 question.

11 BY MR. BERNSTEIN:

12 Q Is it true that metering service pertains  
13 to both the supply function and the delivery  
14 function?

15 A It is necessary to meter in order to be  
16 able to bill a customer. Is it -- I'm not sure I --  
17 I'm not sure I'm understanding the difference in your  
18 question.

19 Q I'm not sure what you're referring to by  
20 "difference." I'm not trying to trick you here.

21 I thought we had agreed that a meter  
22 was necessary to bill a customer for both delivery  
23 and for his supply?

24 A Correct.

1           Q     And I'm asking, therefore, isn't it logical  
2     that a meter -- a metering service pertains to both  
3     the supply function and the delivery function?

4           A     Metering is necessary to support billing.  
5     Metering does not necessarily in and of itself  
6     pertain to supply.

7                     I think you're making an additional  
8     connection there that I'm not.

9           Q     It's necessary to have a meter to bill a  
10    customer for supply; you agree with that?

11          A     Yes.

12          Q     And yet, you're saying that metering  
13    service may not pertain to the provision of supply?

14          A     Correct.

15          Q     Can you explain that?

16          A     Metering is an activity that is designed to  
17    accumulate the usage and the determinants necessary  
18    to calculate a bill.  It is -- it is a support  
19    function for the purposes of supporting billing and  
20    other related functions, but in and of itself, it is  
21    -- it's its own service.

22                     In other words, so it could be  
23    provided by any provider.  It's not necessarily  
24    integral to the supply function for a necessary part

1 of the supply function.

2 Q Would it be fair to say that a utility  
3 avoids no metering costs by reason of a customer's  
4 decision to shift to RES service for his supply?

5 A I believe that would be correct.

6 Q REACT Exhibit 2.1 is your curriculum vitae  
7 or resume. I'm not sure which term is more  
8 appropriate. Without going into the details of that,  
9 let me just ask:

10 Have you ever been responsible for  
11 management of customer service or customer care  
12 operations for a utility?

13 A Not for a utility. I have been from a  
14 supplier perspective.

15 Q Now, let me turn to your Exhibit 4.4 and  
16 4.5. I'm going to ask questions about both. I'm  
17 going to try to do it together to try too avoid  
18 asking the same question twice. If you keep your  
19 finger on both, it would be helpful.

20 A I have those.

21 Q These two documents show your calculation  
22 of allocated customer care costs for residential with  
23 regard to 4.4 and nonresidential with regard to 4.5  
24 on a per-kilowatt-hour basis consistent with your

1 allocations presented in your Exhibit 4.3, correct?

2 A Correct.

3 Q Let me direct your attention to a figure

4 first on Exhibit 4.4.

5 In Column E, Line 5, a figure -- I'm

6 going to round again -- \$71.36 million appears. Do

7 you see that figure?

8 A Yes, I do.

9 Q And correspondingly on Exhibit 4.5,

10 Column E, Line 5, a figure 16.61 appears. You see

11 that figure?

12 A 16.61 million. Yes.

13 Q Yes.

14 Summing those two figures, I get 87.97

15 million, which is the same figure on your

16 Exhibit 4.3, Column J, Line 5, correct?

17 A Yes. That's correct.

18 Q And that's not a coincidence. That -- the

19 figures that we've referred to on line -- on

20 Exhibit 4.4 and 4.5, as your source footnotes show,

21 are derived from the calculations that we've already

22 gone over on 4.3, right?

23 A That is correct. The two sum up to the

24 87-point -- 87.97 million.



1           Q     Hm-hmm.

2                     Now, the figures shown in Columns H

3     and I of both Exhibits 4.4 and 4.5 would change if,

4     back on Exhibit 4.3, you'd had used different

5     allocators in Column F than the ones you show in

6     Column F on Exhibit 4.3; isn't that right?

7           A     I'm sorry. Column F of which exhibit?

8           Q     4.3 --

9           A     4.3.

10          Q     -- where you show the allocators.

11          A     So are you asking if you multiply by a

12     different number, would you get a different result?

13          Q     Yes.

14          A     Yes.

15          Q     All I'm trying to establish is if you

16     change the allocator in Column E, you would change --

17     I'm sorry. If you change the allocator in Column F

18     -- misspoke -- you would get a different result in

19     Column J on Exhibit 4.3; and, correspondingly, you

20     would get changes to Exhibits 4.4 and 4.5 as they

21     flow from one to the other, correct?

22          A     I don't agree that the allocator should be

23     changed, but if you change the math, you will change

24     the answer -- I mean, if you change the input, you

1 will change the math; therefore, change the answer.

2 Q Sure. I didn't mean to suggest you'd agree  
3 otherwise. I'm just asking -- trying to establish  
4 the relationship between the numbers.

5 So just to be clear then, the figures  
6 on 4.4 and 4.5 in Columns H and I of each of those  
7 exhibits, the per-kilowatt-hour figures are derived  
8 from and depend on figures on Exhibit 4.3, right?

9 A Correct.

10 MR. BERNSTEIN: I have no further questions.

11 JUDGE HILLIARD: That's it?

12 You got redirect?

13 MR. TOWNSEND: Sure.

14 REDIRECT EXAMINATION

15 BY

16 MR. TOWNSEND:

17 Q Mr. Merola, Mr. Bernstein asked you about  
18 the 50 percent allocator.

19 Can you explain how it is that you  
20 developed that 50 percent allocator?

21 A Certainly.

22 I first looked to see if there was  
23 any -- any information available from ComEd to derive  
24 a suitable allocation of the common costs. So you

1 kind of walk through the mechanics.

2 I first started with the total  
3 customer care costs. Those costs that ComEd  
4 identified as being directly related to the delivery  
5 function. With a couple of notable exceptions where  
6 I didn't agree with their logic, I allocated those to  
7 the delivery function.

8 Those that they allocated to the  
9 supply function, which was a total of \$112,000 and an  
10 adjustment I did for the contact call center are  
11 allocated to the supply function.

12 That leaves you with a residual amount  
13 that clearly and, I think, undisputedly supports both  
14 the delivery and the supply function.

15 So, first, we've asked ComEd numerous  
16 data requests in terms of whether or not there's any  
17 data available to support that allocation. And their  
18 -- the answer has simply been there is not. They  
19 don't track anything to be able to support to that.

20 So I looked at other potential  
21 functional allocators, including a percentage of  
22 revenue that would be a potential allocator for such  
23 costs which would give you more of a two-thirds share  
24 to the -- to the supply function and more of a

1 one-third share to the delivery function, if you  
2 based it on revenue.

3 I looked at also, based on my personal  
4 experience in both designing and constructing and  
5 implementing billing systems, at the complexity of  
6 billing for supply versus billing for delivery. And,  
7 clearly, billing for the supply function, given both  
8 the hourly components on Rate BSH as well as all the  
9 adjustments that have to be facilitated via Rider PE,  
10 it's a more complex function than the billing on the  
11 delivery side.

12 So as a result, taking all that into  
13 account, I said it's reasonable, given we have this  
14 pool of shared costs that are clearly supporting both  
15 the delivery and the supply function, to evenly split  
16 those, given any better information and based on my  
17 own -- my own professional experience, to split those  
18 between the delivery and supply function and allocate  
19 those.

20 JUDGE HILLIARD: Does that explain your  
21 testimony?

22 THE WITNESS: It is, yes.

23 BY MR. TOWNSEND:

24 Q Mr. Bernstein also pointed you to your CV

1       and asked about your experience there.

2                       Can you explain what experience you  
3       have that's relevant to the calculation that you made  
4       in the allocation that you've recommended?

5               MR. BERNSTEIN:  I object.  That goes beyond the  
6       scope of my direct.  I asked him only one question  
7       and that was whether he had ever had a position as in  
8       charge of operations.

9               JUDGE HILLIARD:  Overruled.

10                      Go ahead.

11               THE WITNESS:  I'm sorry.  Mr. Townsend, you're  
12       speaking specifically about the functional allocator;  
13       is that what you said?

14       BY MR. TOWNSEND:

15               Q       Yeah.  What experience do you have that you  
16       think is relevant to the other line of cross that  
17       Mr. Bernstein had.

18               A       Yeah, I have -- in terms of both the  
19       customer care and the billing functions, I have both  
20       been responsible for those areas from a supplier  
21       perspective.  I have designed the software necessary  
22       to compute customer bills; implemented it; tested it;  
23       facilitated the training associated with it.

24                      So I'm very familiar with the process

1     that's required to be able to -- to both bill  
2     customers and the customer service activities that  
3     are involved.

4           Q     Mr. Bernstein also asked you about the  
5     allocation of metering services costs. Do you recall  
6     that?

7           A     I do.

8           Q     If you were to allocate costs to supply  
9     related with metering, would that -- what impact  
10    would that have on the calculation?

11          A     That would certainly increase the  
12    allocation of the supply function.

13          Q     The fact that you did not assign the  
14    metering -- any metering costs to the supply  
15    function, do you think that that is further evidence  
16    of your position being reasonable?

17          MR. BERNSTEIN: I object. Asks the witness to  
18    draw a legal conclusion.

19          JUDGE HILLIARD: Overruled.

20          THE WITNESS: Certainly, I think that it  
21    demonstrates that I have reviewed all the components  
22    that are associated with this and have used my -- my  
23    experience and my professional judgment as to the  
24    appropriate way to allocate these costs to the

1 appropriate customers within ComEd.

2 MR. TOWNSEND: No further redirect.

3 Thank you.

4 JUDGE HILLIARD: Is there recross?

5 MR. BERNSTEIN: Briefly.

6 RECROSS-EXAMINATION

7 BY

8 MR. BERNSTEIN:

9 Q I believe I heard you say that the costs  
10 that you've allocated to the supply function -- I  
11 think the phrase you used was clearly and  
12 undisputably support the supply function.

13 Do you recall using that phrase?

14 A I'm not sure in reference to -- you mean  
15 just --

16 Q Just now, a response to Mr. Townsend.

17 A Just now?

18 Q I believe it was first question.

19 A I don't recall the exact terms I used,  
20 but...

21 Q Let me ask you this:

22 Does the provision of metering  
23 service, quote, clearly and undisputably support the  
24 supply function in the same way you used the phrase

1 earlier?

2 A No.

3 Q Okay. How not?

4 A As --

5 Q Why not?

6 A As I explained earlier, the metering

7 services are a function in and of themselves. They

8 can certainly be competitive functions. They don't

9 necessarily have to be attached to the supply

10 function.

11 They are necessary to be able to bill

12 a customer, certainly, but they are not integrally

13 tied to the supply function.

14 MR. BERNSTEIN: Nothing further.

15 JUDGE HILLIARD: Do you have any more

16 questions?

17 MR. TOWNSEND: No, your Honor.

18 JUDGE HILLIARD: All right. We're through with

19 Mr. Merola.

20 Thank you, sir.

21 THE WITNESS: Thank you.

22 JUDGE HILLIARD: Conveniently, it's noontime.

23 Why don't we come back at

24 1:00 o'clock.



1                   (Whereupon, a luncheon  
2                   recess was taken to resume  
3                   at 1:00 p.m.)  
4                   AFTERNOON SESSION: 1:00 P.M.:  
5                   JUDGE HILLIARD: I think we can probably get  
6                   started on the preliminaries here whenever you're  
7                   ready.  
8                   MR. ROONEY: Judge, on the City of Chicago, we  
9                   have no objection to those exhibits, the ones that we  
10                  were -- asked to hold.  
11                  JUDGE HILLIARD: All right.  
12                  JUDGE HAYNES: How about let's put that on the  
13                  record.  
14                  JUDGE HILLIARD: All right. This morning,  
15                  Mr. Jolly offered City 1.0, second revision, 2.0  
16                  revised and 3.0, and we've been advised that there  
17                  are no objections to those exhibits and they'll be  
18                  admitted in the record.  
19                               Mr. Merola, you're under oath?  
20                  Alongi. I'm sorry. So whenever anybody's ready  
21                  here, just let's get the ball rolling.  
22                               LAWRENCE ALONGI,  
23                  called as a witness herein, having been first duly  
24                  sworn, was examined and testified as follows:

1 DIRECT EXAMINATION

2 BY

3 MR. ROONEY:

4 Q Good afternoon, Mr. Alongi. John Rooney on  
5 behalf of Commonwealth Edison Company.

6 Mr. Alongi, can you state your name  
7 and spell it for the court reporter.

8 A Lawrence S. Alongi. L-a-w-r-e-n-c-e,  
9 A-l-o-n-g-i.

10 Q Mr. Alongi, I'm going to direct your  
11 attention to several exhibits.

12 The first is marked as ComEd  
13 Exhibit 1.0 with attachments 1.1 through 1.8. That  
14 was filed as your direct testimony on January 30th,  
15 2009.

16 Rebuttal testimony that's been marked  
17 as ComEd Exhibit 6.0 with Attachments 6.1 through  
18 6.14 filed on June 19th, 2009. And, finally,  
19 surrebuttal testimony marked as ComEd Exhibit 10.C,  
20 corrected, with Attachments 10.1 and 10.3. And the  
21 rebuttal testimony was filed on October 23rd and the  
22 errata reflecting the corrections was served on  
23 October 26, 2009 and filed on eDocket.

24 Do you have those documents in front

1 of you?

2 A I do. And I just want to clarify one  
3 thing. Did you say 10.1 through 10.3?

4 Q Correct.

5 A Yes. Okay. I have them.

6 JUDGE HILLIARD: And is the exhibit -- is it  
7 10.1C?

8 MR. ROONEY: It's 10.C.

9 JUDGE HILLIARD: 10.C.

10 JUDGE HAYNES: So it's just the testimony's  
11 corrected, not his exhibits?

12 MR. ROONEY: That's correct.

13 JUDGE HAYNES: Okay.

14 JUDGE HILLIARD: All right. Hearing no  
15 objections -- you've got more?

16 MR. ROONEY: I just want to make sure that he  
17 -- they were prepared under his direction.

18 JUDGE HILLIARD: Fine. Fine. Good idea.

19 THE WITNESS: They were prepared under my  
20 direction, yes.

21 BY MR. ROONEY:

22 Q And if we asked you those questions  
23 contained therein, you answers would be the same?

24 A Yes, they would.

1           MR. ROONEY: With that, your Honors, we move  
2     for the admission of the previously identified  
3     documents of Mr. Alongi and offer Mr. Alongi for  
4     cross-examination.

5           JUDGE HILLIARD: Okay. Hearing no objections,  
6     ComEd Exhibits 1.0, 1.1 through 1.8, 6.0 with  
7     Attachments 6.1 through 6.14, and Exhibit 10.C with  
8     Attachments 10.1 through 10.3 will be admitted in the  
9     record.

10          MR. ROONEY: Thank you, your Honor.

11                         (Whereupon, ComEd  
12                         Exhibit Nos. 1, 6 and 10 were  
13                         admitted into evidence as  
14                         of this date.)

15          JUDGE HILLIARD: Who's first up here?

16          MR. JENKINS: Thank you, your Honor.

17                         Alan Jenkins for the Commercial Group.

18                         CROSS-EXAMINATION

19                         BY

20                         MR. JENKINS:

21           Q     Good afternoon, Mr. Alongi.

22           A     Good afternoon.

23           Q     Can you summarize the various requests that  
24     have been made in this proceeding for ComEd to

1 perform customer-specific cost studies or create new  
2 cost classifications for customer types?

3 A Yes. There's been a number of different  
4 requests and I'll start with requests from REACT  
5 witness Fults. He's requested that ComEd perform  
6 customer-specific analyses for the 53 customers in  
7 the extra large load delivery class as well as the 26  
8 customers in the high voltage delivery class. And in  
9 a data request, he also requested that we perform  
10 customer-specific analyses of the nine REACT members.

11 In addition, City witness Bodmer has  
12 requested actual costs analyses of the City of  
13 Chicago's streetlights, and the Witness Bachman for  
14 the railroads has requested that for the next rate  
15 case, the Company consider excluding 4 kV costs from  
16 the railroad class, which could actually evolve into  
17 a customer-specific study, depending on how it were  
18 to be performed.

19 And, finally, IIEC witness Stevens has  
20 requested that ComEd prepare voltage-based rates,  
21 and, actually, IIEC witness Stowe has asked that  
22 ComEd prepare a primary-secondary analysis which  
23 would require we segment our primary system or our  
24 distribution system into three subsections. One

1     being a primary distribution system, one being a  
2     general distribution system, and one being a  
3     secondary distribution system.

4                     So I didn't count them, but I think  
5     there's about six or so.

6             Q     Okay. Have any of those parties that  
7     requested those cost studies offered to pay for them?

8             A     Not to my knowledge, no.

9             Q     Are there any other types of customers that  
10    might have characteristics for which those customers  
11    might request ComEd to create new cost  
12    classifications to fit those characteristics?

13            A     Well, I could imagine that there could be  
14    any number of requests from entities that consider  
15    themselves unique in some form.

16                    I suppose I could see hospitals,  
17    schools, universities, grocery store chains all  
18    requesting special consideration in terms of actual  
19    cost studies.

20            Q     Now, if you could turn to your rebuttal  
21    testimony, Page 12.

22            A     I'm there.

23            Q     And looking at Figure 3.

24            A     Yes.

1           Q     Let's assume what you have marked there as  
2     Customer E takes secondary service 10 feet downstream  
3     from the transformer shown in Figure 3.

4           A     Okay.

5           Q     And let's assume that Customer F takes  
6     service five miles downstream from the same  
7     transformer.

8           A     Okay.

9           Q     Couldn't Customer E claim that it should  
10    not have to pay for all the poles and wires  
11    downstream of the service drop for Customer E?

12          A     Customer E could make that claim. But if  
13    Customer E and Customer F are in the same delivery  
14    class, they'd pay the same charge based upon the  
15    weighted average of customers in the class, if that  
16    answers your question.

17          Q     Now, assume that a consultant gathers  
18    together into a customer group every customer like  
19    Customer E that was within, let's say, a hundred feet  
20    of the transformer and intervenes in a ComEd rate  
21    case.

22                    Couldn't they request -- that group  
23    request ComEd to perform a customer-specific cost  
24    study?

1           MR. TOWNSEND: I'm going to object. It's  
2 speculation and we're now many iterations of  
3 speculation what could happen.

4           JUDGE HILLIARD: I think he's got a point he's  
5 trying to make here.

6                       Overruled.

7           THE WITNESS: I would imagine such a group  
8 could make such a request, yes.

9 BY MR. JENKINS:

10           Q     And could you foresee in an open-ended  
11 workshop, rate design workshop that that customer  
12 group would make a similar request?

13           A     I could imagine that that would happen,  
14 yes.

15           Q     Now, if ComEd had enough time or money,  
16 would it be possible for ComEd to identify specific  
17 facilities that it uses to serve one or more of the  
18 companies that compose the commercial group?

19           A     That's a hard one to answer because it  
20 would take virtually unlimited resources, because as  
21 I understand it, the commercial group consists of or  
22 represents over 10,000 businesses in Illinois.

23           Q     Let -- and focusing on one company --

24           A     I think it would be impractical, to answer



1 your question.

2 Q But if there was an unlimited amount of  
3 money available and time, would it be possible -- not  
4 whether it would be practical.

5 Would it be possible to -- let's pick  
6 out just one member of the group -- Safeway's  
7 facilities -- for ComEd to do a study and see --  
8 identify the facilities that directly or indirectly  
9 serve Safeway?

10 MR. GOWER: Objection. It's a hypothetical  
11 that has no reasonable basis at all. There is no  
12 company that has unlimited resources.

13 So it just calls for speculation.

14 JUDGE HILLIARD: You can answer the question.

15 THE WITNESS: With unlimited resources, the  
16 facilities serving such a customer or such a customer  
17 group could be identified.

18 However, determining the cost of those  
19 facilities, there would have to be some judgments  
20 made because our books of account don't identify  
21 costs for specific facilities except in very limited  
22 circumstances.

23 BY MR. JENKINS:

24 Q Okay. Now, with respect to the workshop,

1 Mr. Lazare discussed potential rate design workshops  
2 with the parties. Do you remember that this morning?

3 A Yes.

4 Q Would you agree that parties that have no  
5 budget to cover such workshops to send a lawyer or a  
6 consultant to the workshops might be a disadvantage  
7 if they could not attend those workshops?

8 A Yes.

9 Q Now, you were asked -- or there have been  
10 questions about rate shock in this proceeding. In  
11 fact, do I understand correctly your testimony that  
12 but for the rate subsidies contained in the 2007 rate  
13 case, the rates from those cases -- that case,  
14 ComEd's primary-secondary analysis in this rate  
15 design docket would actually reduce rates for extra  
16 large load, railroad and high voltage classes?

17 A I need to check.

18 I'm looking at my exhibit, ComEd  
19 Exhibit 6.1 on Page 2. And what I'm looking at are  
20 the columns identified as rates approved  
21 September 2nd -- September 10th, 2008, Docket  
22 07-0566, and the column immediately to the right  
23 identified as Illustrative Rates Reflecting All  
24 Changes.

1                   Well, actually, I think for the  
2   primary-secondary, I should look one more column  
3   over. Illustrative Rates Reflecting Only  
4   Primary-Secondary. And for the extra large load, I'm  
5   looking at the row that's identified as Overall  
6   Standard Delivery Charge. And the overall -- because  
7   that's an easy comparison to make.

8                   The overall standard delivery charge  
9   for the extra large load under current rates is  
10   0.0069 dollars per kilowatt hour. And two columns to  
11   the right, the overall dollars per kilowatt hour  
12   under the illustrative rates reflecting only the  
13   primary secondary is 0.0066 dollars per kilowatt  
14   hour. So that for the extra large load does reflect  
15   a reduction in their overall cost.

16                  And doing the same thing for the high  
17   voltage, although the -- as I look at the two columns  
18   and the row identified as Overall Standard Delivery  
19   Charge in the high voltage, the overall cents per  
20   kilowatt hour doesn't change. It's 0.0026 dollars  
21   per kilowatt hour.

22                  The distribution facilities charge one  
23   row above it is slightly reduced from \$2.87 a  
24   kilowatt to \$2.84 a kilowatt. So I think the overall

1     dollars per kilowatt hour just got lost in the  
2     rounding.

3                     And --

4             Q     If I could interrupt you.

5             A     Yes.

6             Q     My question was specifically not  
7     necessarily the rates that came out, but -- but for  
8     the subsidy contained in the rates.

9                     So, in other words, comparing the cost  
10    study from that rate with the cost study that ComEd  
11    has presented in this case.

12            A     Oh.   At 100 percent EPEC?

13            Q     Yes.

14            A     Yes, the -- well, I'm sorry.   I guess I  
15    have to ask you to restate your question --

16            Q     Yeah.

17            A     -- because --

18            Q     The question is, at the hundred percent  
19    cost, isn't it true that the primary-secondary  
20    proposal that ComEd has put fourth in this case would  
21    actually reduce results and a reduced cost burden for  
22    the extra large load, railroad and high voltage  
23    classes?

24            A     Okay.

1           Q     I was looking at your ComEd -- might be on  
2 ComEd Exhibit 10.1.

3           A     Oh, I'm sorry.

4           Q     Which was attached to your surrebuttal.

5           A     Oh, thank you.

6                     Doing the same type of comparison on  
7 Page 2 of ComEd Exhibit 10.1, which does show a  
8 column for the rates currently in effect which are  
9 identified as rates approved September 10th, 2008,  
10 Docket 07-0566, mitigated.

11          Q     And is the column -- the third column,  
12 Illustrative Rates Reflecting ComEd E Cost 070-0566,  
13 100 percent impact, is that the full cost rate based  
14 on the cost study in that case?

15          A     Yes.

16          Q     And if you compare that column to the  
17 second column, Illustrative Rates Reflecting ComEd  
18 Analysis, Exhibit 6.2-P, that's the cost rates in  
19 this present case; is that right?

20          A     Yes, that's correct. Comparing 100 percent  
21 EPEC from the last rate case to 100 percent EPEC  
22 illustrative rates that reflect the primary-secondary  
23 analysis.

24                     And, actually, I think 6.2-B (sic)

1 reflects also uncollectibles spread evenly across the  
2 residential classes as well as the corrected service  
3 allocation, but there is a decrease for extra large  
4 load. There is a slight decrease in the distribution  
5 facilities charge for the high voltage customers and  
6 there's a decrease for the railroads.

7 Q Now, is it also true that the various cost  
8 study schedules that you provide in this proceeding,  
9 they all show that the medium load, large load and  
10 very large load customer classes are paying more in  
11 current rates than the cost to serve those customers  
12 classes?

13 A Yes.

14 MR. JENKINS: Thank you.

15 No further questions.

16 JUDGE HILLIARD: Who's next?

17 City of Chicago?

18 MR. JOLLY: Sure.

19 May I proceed?

20 JUDGE HILLIARD: Yeah.

21 Go ahead.

22 MR. JOLLY: Thank you.

23

24

1 CROSS-EXAMINATION

2 BY

3 MR. JOLLY:

4 Q Good afternoon, Mr. Alongi. My name is Ron  
5 Jolly. I'm representing the City of Chicago in this  
6 matter.

7 A Good afternoon, Mr. Jolly.

8 Q How are you?

9 A Good.

10 Q I'd like to start at Page 18, Lines 404  
11 through 06 of your surrebuttal testimony, ComEd  
12 Exhibit 10.0.

13 JUDGE HILLIARD: Please try to keep your voice  
14 up. You have a tendency to speak soft and he's close  
15 by. So...

16 THE WITNESS: I'll do my best, your Honor.

17 Lines 404?

18 BY MR. JOLLY:

19 Q Through 06.

20 A Yes.

21 Q Okay. And as I understand your testimony  
22 there, you criticize Mr. Bodmer's proposals regarding  
23 the City's street lighting account as an attempt to  
24 have a customer-specific analysis done; is that

1 correct?

2 A Mr. Bodmer included in his testimony a --  
3 what I would characterize as a  
4 quasi-customer-specific study for the City of Chicago  
5 arterial and residential street lighting.

6 Q Okay. And in your testimony there, you --  
7 you in -- particularly, at Lines 404 through 405, you  
8 say that Commission has rejected such a  
9 customer-specific approach; is that correct?

10 A Yes.

11 Q Would you tell me how ComEd defines  
12 customer classes?

13 A I can tell you what the customer classes  
14 are at the moment. We haven't changed them for quite  
15 some time.

16 We have four residential classes, two  
17 single family, one space heat, one nonelectric space  
18 heat. Two multifamily residential classes. The same  
19 thing: One electric space heat and one nonelectric  
20 space heat.

21 We have a watt-hour customer class for  
22 nonresidential customers; a small load customer  
23 class, which is zero to 100 kilowatts. It's based  
24 upon demand of the customer; a medium load customer



1 class, which is 100 to 400 kilowatts; a large load  
2 customer class, which is 400 to a thousand kilowatts;  
3 a very large load class which is a thousand to 10,000  
4 kilowatts; an extra large load class, which is over  
5 10,000 kilowatts. And all of these are  
6 nonhigh-voltage customers.

7                   We have a high voltage class which is  
8 customers served by lines that enter their premises  
9 at 69,000 volts or higher. We have a dusk to dawn  
10 street lighting class, a general lighting class, and  
11 a fixture-included lighting class. I think that's 15  
12 classes.

13           Q     In establishing rates for those various  
14 classes, do you -- do you believe that the rates  
15 should reflect -- should bear some relationship to  
16 the costs that ComEd incurs in serving the members of  
17 the particular classes?

18           A     Yes. The rates that we charge to customers  
19 should reflect the cost of serving those customers in  
20 the class.

21           Q     Okay. And, of course, because not every  
22 customer's the same and their services may be  
23 slightly different, the rates may not reflect the  
24 specific costs that each customer imposes on the

1 ComEd system; is that correct?

2 A That's correct. It's a kind of a class  
3 average I guess I would say.

4 Q Okay. Do you think that the cost to serve  
5 the members of a particular class should reflect the  
6 cost characteristics of the majority of the members  
7 of a class?

8 A I think by the nature of class ratemaking,  
9 the class rate will reflect the majority of the  
10 customers or maybe the load of the class.

11 Q Okay. Now, are you -- are you -- you're  
12 familiar with or have read Mr. Bodmer's direct and  
13 rebuttal testimony in this case?

14 A I'm sorry for smiling; but, yes.

15 Q Let me ask you later what that was about.

16 And in his direct testimony, at Page  
17 31, Lines 728 through 29, Mr. Bodmer stated that City  
18 streetlights use 57 percent of the total energy used  
19 in the dusk to dawn rate class.

20 Are you familiar with that statement?

21 A Yes.

22 Q And do you have any reason to dispute that  
23 statement?

24 A No. I -- I think if we checked, he would

1     probably turn out to be right.  I think that's  
2     probably about right.

3           Q     Okay.  And going back again to your  
4     statement at Lines 403 through 405, you say that the  
5     Commission has previously rejected the idea of  
6     customer-specific cost studies; is that right?

7           A     Yes.

8           Q     Are you familiar with the Commission's  
9     initiating order in this case?

10          A     Yes.

11          Q     Would you -- in particular -- in fact,  
12     maybe I'll just provide you a copy here.

13          A     I have it.

14          Q     Oh, do you?  Okay.  That's great.

15          MR. JOLLY:  Would you like a copy, your Honor?  
16     I have extra copies.

17          JUDGE HILLIARD:  Of which?

18          MR. JOLLY:  The Commission's initiating order.

19          JUDGE HILLIARD:  That's okay.

20     BY MR. JOLLY:

21          Q     Okay.  If you turn to Page 2, bottom  
22     paragraph of Page 2 of the -- of the Commission's  
23     initiating order?

24          A     Yes.

1 Q Are you there?

2 A Yes.

3 Q And is it your understanding there that the

4 Commission ordered ComEd to submit a revised cost

5 study in this proceeding that took into account

6 several factors that the Commission analyzed in

7 ComEd's previous rate case, Docket 07-0566?

8 A Right. The Commission articulated five

9 items to be further reviewed in this docket.

10 Q Okay. And one of the items, the fifth

11 item, states that the cost study shall take into

12 account ownership and maintenance responsibilities of

13 street lighting in the City of Chicago and other

14 municipalities and allocate costs accordingly.

15 Do you see that statement?

16 A Yes, I do.

17 Q Do you believe that to implement the

18 Commission's order there required ComEd to conduct a

19 customer-specific cost study?

20 A No.

21 Q No, you do not?

22 A No.

23 Q You do not believe that it was necessary to

24 look at the City's street lighting costs separately?

1           A     No, I don't.

2           Q     Okay.  Would you turn to Pages 25 through  
3     26 of your -- of your surrebuttal testimony.

4           A     Okay.

5           Q     And on the question and answer -- well, the  
6     question begins on Page 24, and the answer -- excuse  
7     me, which is on Page 25, you take issue with  
8     Mr. Bodmer's assertion that rates for street lighting  
9     customers -- dusk to dawn street lighting customers  
10    have increased 99 percent; is that correct?

11          A     Correct.

12          Q     And you -- on Page 26, you present a table  
13    where you say that the annualized percent change for  
14    dusk to dawn street lighting rates is 17.9 percent  
15    rates; is that right?

16          A     Correct.

17          Q     Now, in your table there on Page 26, you  
18    include energy costs in your table; is that right?

19          A     That's correct.

20          Q     Okay.  Now, the table you're responding to  
21    from Mr. Bodmer's testimony was at his direct at  
22    Page 20, Lines 460 through 474.

23                   Are you familiar with that?

24          A     I'd have to take a look at it.

1           Q     Okay.  Would you like a copy of his  
2     testimony?

3           A     I think I have a copy, but if you have one  
4     handy.

5           Q     Sure.  20.

6                     Are you there?

7           A     I'm on Page 20.

8           Q     Okay.  And, again, it's Lines 460 through  
9     474.

10                    Now, the analysis that Mr. Bodmer put  
11     in his direct testimony considered only distribution  
12     rates; is that right?

13           A     There's a reference to ComEd response to  
14     COC 1.04, Attachment 3 that might be helpful because  
15     I'm not quite sure what the dollars per kilowatt hour  
16     stated in the answer represent.

17

18

19                             (Change of reporters.)

20

21

22

23

24

1 (Change of reporter.)

2 Q Well, if you look at the beginning at Line  
3 462, Mr. Bodmer states, When Com Ed first unbundled  
4 distribution rates in 1999, it calculated street  
5 lighting costs for the dusk to dawn class. The rates  
6 that are shown in the marginal cost study here?

7 THE COURT: On Page 22.

8 MR. JOLLY: No, on Page 20 of Mr. Bodmer's  
9 direct.

10 BY MR. JOLLY:

11 Q Do those appear to you to be the  
12 distribution only rates or distribution plus energy?

13 A I guess from what I see here, I can't tell  
14 if it's limited to distribution only or not.

15 MR. JOLLY: Can I have a moment?

16 THE COURT: Sure.

17 MR. JOLLY: Thanks to Mr. Robertson, he has  
18 discovered, on his computer, is it okay if I show?

19 THE COURT: Yes, please proceed.

20 MR. JOLLY: And I'll show counsel.

21 BY MR. JOLLY:

22 Q If you look at this, will it help you to  
23 determine?

24 MR. JOLLY: Let the record reflect that I'm

1 showing Mr. Alongi an electronic copy of Com Ed's  
2 response to City of Chicago Data Request 1.04,  
3 Attachment 3.

4 THE WITNESS: Yes, okay. And this is 1998  
5 marginal costs, which is here. Do you have something  
6 imbedded?

7 MR. JOLLY: I think that's some from the e-costs  
8 in this case, is my recollection.

9 MR. GORDAN: Mr. Alongi, do you want a hard  
10 copy, you could probably have a hard-copy of the  
11 response.

12 THE WITNESS: No, I'm satisfied that the  
13 marginal cost table reflects only distribution. I'm  
14 just asking now if the imbedded cost table reflects  
15 only distribution. And Mr. Jolly indicated that  
16 these are the imbedded costs taken from Com Ed's  
17 imbedded cost study in this case.

18 BY MR. JOLLY:

19 Q I have a hard-copy of that if you would  
20 like to look at that.

21 A I'm not very familiar with the e-costs, but  
22 if I could confirm at least one number.

23 Q All right. Showing the witness Com Ed  
24 Exhibit 7.1, which was attached to Mr. Heintz



1     rebuttal testimony, it's the revised cost study  
2     submitted by Com Ed?

3             A     Mr. Jolly, do you know where I would look?

4             Q     No, that, I can't tell you. I'm sorry.

5             A     I guess I'm afraid I'm not going to be able  
6     to identify it. But if I were to accept that these  
7     are imbedded cost numbers from this case, then I  
8     think we should move on.

9             Q     Well, if you accepted that, subject to  
10    check, and based on your review of the electronic  
11    data request response that you were shown, would you  
12    agree, and again, accepting those -- accepting that  
13    you have the time to review this to insure that the  
14    imbedded cost study reflects -- is the imbedded cost  
15    study in this case, that Mr. Bodmer's analysis was  
16    purely of the distribution costs and did not include  
17    the energy costs?

18            A     Yes, okay.

19            THE COURT: Please speak up, gentlemen.

20    BY MR. JOLLY:

21            Q     And would you be able to agree to that,  
22    subject to checking?

23            A     Agree that these include only distribution  
24    costs, yes. I can agree that they include only

1 distribution costs.

2 Q Subject to?

3 A Subject to check, okay.

4 MR. JOLLY: All right, fair enough. That's all  
5 I have, thank you.

6 THE COURT: CTA.

7 CROSS EXAMINATION

8 BY

9 MR. BALOUGH.

10 Q Good afternoon, Mr. Alongi.

11 A Good afternoon, Mr. Balough.

12 Q I guess I don't have to introduce myself  
13 we've met many a time anyway. Richard Balough for  
14 the CTA. I would like to go through, first of all,  
15 some of the tables that you have in your testimony,  
16 see if I can understand them. If you could look at  
17 your Table 2, which I believe is at Page 10 of Com Ed  
18 Exhibit 1.0.

19 A Okay.

20 Q Now, as I understand what would be -- well,  
21 Column 1 is the various classes; is that correct?

22 A All the nonresidential classes, yes.

23 Q And Column 2, as I understand, is the rates  
24 approved in Docket 07-0566; is that correct?

1           A     That's correct.  Those are the rates that  
2     are currently in effect.

3           Q     And then if you go to Column 3, that would  
4     be the rates that reflect all the changes that you  
5     recommended in your initial testimony, would that be  
6     correct?

7           A     Those are the illustrative rates that  
8     reflect the changes for -- that were made to the  
9     imbedded cost of service study, reflecting changes  
10    for primary, secondary and uncollectibles for the  
11    residential classes.

12          Q     Now, as to -- and then column -- would be  
13    Column 4 just shows those changes only for the  
14    primary and secondary changes and the resulting  
15    rates; is that correct?

16          A     Correct.

17          Q     And the last column, just so we cover the  
18    entire table, is the changes that, if you only made  
19    changes to the uncollectible charges?

20          A     Correct.

21          Q     And then if we could turn to your rebuttal  
22    testimony and your Exhibit 6.1, Page 2 of 4.

23          A     Okay.

24          Q     Am I correct that this is similar to the

1 table we just looked at, but it has fewer changes  
2 that you made as a result of your rebuttal testimony?

3 A That is correct.

4 Q And in the first column, the last customer  
5 class is the railroad class; is that correct?

6 A That is correct.

7 Q Do you know what, under rates approved in  
8 September 10th, 2008, what the total revenue that  
9 would be collected by those railroad rates?

10 A I would have to look at the small print for  
11 this. I apologize, I have to go back to another  
12 exhibit. I'm looking at Com Ed Exhibit 1.1A, Page 2,  
13 in a column that's identified as total revenue near  
14 the very bottom of the page. And for the railroad  
15 class it shows 4,927,800 -- let me start again.  
16 \$4,972,802 and this is the revenue, based upon the  
17 rate design approved in the last -- Com Ed's last  
18 rate case, 07-0566.

19 Q And then I would like you to look at one  
20 more table, it was attached to your surrebuttal  
21 testimony as Com Ed Exhibit 10.1, Page 2 of 4.

22 A Okay.

23 Q And, again, the second column is the rates  
24 as they exist today; is that correct?

1           A     That's correct.

2           Q     Now, I notice in Column 3, however, that  
3     you change the format for the table; is that correct?  
4     It's now 100 percent of the EPEC?

5           A     That's how that column is labeled, yes.

6           Q     But in the previous two tables that we  
7     looked at, the illustrative rates reflecting all  
8     changes, for example, were not based on 100 percent  
9     of the EPEC; is that correct?

10          A     No, they were based on the mitigated rate  
11     design that was approved by the Commission in Com  
12     Ed's last rate case, which moved the distribution  
13     facility's charge for the extra large load, high  
14     voltage and railroad classes only 25 percent towards  
15     cost.

16          Q     Can you tell me why you decided to change  
17     the format on these tables, where you went from the  
18     25, roughly the 25 percent mitigation, to the last  
19     table now you're using the full EPEC?

20          A     There's probably an explanation in the  
21     testimony itself, but what this table does is allow  
22     people to see what the charges would be if costs --  
23     if charges were set at cost.

24          Q     So, for example, if we used Column 3 on

1 Exhibit 10.1 for the the railroad class, we would  
2 have to go, as I understand it, to Com Ed  
3 Exhibit 6.2B to see what the total revenue would be  
4 recovered?

5 A Yes.

6 Q And could you go to 6.2B for me, please.  
7 And on Page 2 of 3, I believe it shows the railroad  
8 class; is that correct?

9 A Not quite there yet. The reason I'm  
10 delayed is because the hole punch goes right through  
11 the exhibit numbers, but I think I've got it.

12 Q And I believe the last class on that page  
13 is railroad delivery class; is that correct?

14 A That's correct.

15 Q Now, in the -- the second column is  
16 entitled 2006 Test Year Billing Units; is that  
17 correct?

18 A Yes.

19 Q And for the customer charge it shows 24  
20 billing units for the railroad delivery class?

21 A Yes.

22 Q And that would be, since there are only two  
23 customers in the railroad class times 12 months, is  
24 that how you got 24?

1           A     Yes.

2           Q     And likewise for the standard metering  
3     service charge, it shows 24?

4           A     Yes.

5           Q     And if we go, then, to the right-hand side  
6     of the page where it says illustrative EPEC rates.  
7     Under units charges, I believe we come to the -- with  
8     the customer charge of \$4,323.66 and then for the  
9     metering charge, \$60.39 and the distribution charge  
10    \$4.81, are you with me?

11          A     Yes.

12          Q     And that matches the second column on  
13    Exhibit 10.1; is that correct?

14          A     Okay, yes, they match.

15          Q     And then if we would go to, again, on 6.2B,  
16    Page 2 of 3, under total revenue for the railroad  
17    class, you would then be collecting \$7,491,972?

18          A     Correct.

19          Q     By the way, Mr. Alongi, is Com Ed  
20    proposing, in this case, to change any rates as a  
21    result of this docket?

22          A     No. What we were asked to do by the  
23    initiating order was provide the Commission with a  
24    revised e-cost that reflects the five items, what we

1 evaluated, the five items that were identified in the  
2 initiating order.

3 And in the initiating order the  
4 Commission said, the Commission will utilize these  
5 updated studies to provide, in this record, to  
6 perform a comparative analysis with the rate  
7 structure allowed in our order in Docket 07-0566.  
8 And so what we did to help facilitate that comparison  
9 was provide the illustrative rates.

10 So the answer is, Com Ed is not  
11 proposing any changed rates, we haven't filed any  
12 tariff sheets with any changed rates, we've just  
13 provided the revised imbedded cost of service study  
14 and illustrative rates to let the Commission see what  
15 the impacts might be.

16 Q And to see these impacts, would I be  
17 correct if, for example, Com Ed filed a rate case and  
18 the end result, I know you'll find this hard to  
19 believe, but the end result would be no revenue  
20 adjustment, but they put into effect the illustrative  
21 rates reflecting all changes as shown on Com Ed  
22 Exhibit 6.1, the railroad class would then be paying  
23 the \$7,491,972?

24 A Assuming the billing units didn't change.



1           Q     Yes, okay.  If you could turn to your copy  
2     of Exhibit 6.0 at Page 12.  And on that page you have  
3     three different figures showing various customers; is  
4     that correct?

5           A     I'm not there yet.

6           Q     I'm sorry.

7           A     Okay.

8           Q     Am I correct that the CTA -- an example of  
9     how CTA receives service for traction power is not  
10    illustrated with any of these figures?

11          A     That would be correct.

12          Q     And the reason for that is that the CTA  
13    traction power takes service at 12.5 kV; is that  
14    correct?

15          A     The lines entering the CTA property enter  
16    at 12.5 kV, it's a part of Com Ed's distribution  
17    system, which consists of facilities that operate at  
18    12 kV, 34 kV and 4 kV.

19          Q     I understand that.  My question to you is  
20    the CTA, at the traction power substation -- let me  
21    backup, just so the record clear, when I speak of  
22    traction power substations, do you understand that to  
23    be the power that operates the CTA's rapid transit  
24    cars, sometimes also referred to as the El?

1           A     The electric powered transit system, yes.

2           Q     Because I know later on in your testimony

3     you chide Mr. Bachman for talking about the CTA in

4     general terms. But the only thing we're focusing on

5     in this case is traction power. Are you with me on

6     that?

7           A     Yes, I am.

8           Q     And for traction power, the CTA receives

9     service at 12.5 kV?

10          A     As I said, the lines entering CTA's

11     property enter at 12.5 kV. Those lines are part of a

12     larger system that consists of facilities that

13     operate at 12 kV, 4 kV, 34 kV, some of which are

14     shared facilities.

15          Q     So let me ask the question a different way.

16     Can the CTA operate its traction powered substations

17     to receive power from Com Ed's system using the 4 kV

18     lines?

19          A     I don't know what kind of rectifiers the

20     CTA has, whether they are designed with multiple taps

21     like some transformers are designed with multiple

22     taps, where they can operate at 4 kV, 12 kV. If they

23     are rectifiers, they have multiple taps, then --

24     which allow them to operate at either 4 or 12, then

1 the answer would be yes. If they don't, then the  
2 answer would be no.

3 Q When the power comes into the -- you are  
4 familiar with the CTA traction power substations, are  
5 you not?

6 A Yes, I am fairly familiar with them.

7 Q Com Ed provides service -- well, there is a  
8 Com Ed line that goes into -- that goes to a CTA  
9 substation at that point, that power is metered; is  
10 that correct?

11 A I'm not quite sure, exactly, where on the  
12 property it is metered, but it's metered on the CTA's  
13 property, probably just before it's connected to the  
14 CTA 12 kV bus.

15 Q And it goes to 12 kV bus for the CTA; is  
16 that correct?

17 A It's a CTA owned 12 kV bus /

18 Q And the CTA, at that point, converts it to  
19 direct current power; is that correct?

20 A That's my understanding, yes. Which is the  
21 purpose of a rectifier.

22 Q In fact, there are two, generally two, Com  
23 Ed lines that will go to a CTA traction power  
24 substation; is that correct?

1           A     At the CTA's request we provide two 12 kV  
2     lines to each traction power substation.

3           Q     Now, am I correct that the 4 kV power  
4     distribution systems cannot support or back up the  
5     12.5 kV system of Com Ed?

6           A     I believe there was a data request that  
7     answered that question, and as I recall, the answer  
8     was no.

9           Q     No, it could not back it up?

10          A     Correct.

11          Q     Currently, to your knowledge, are there any  
12     4 kV facilities that provide power for traction power  
13     to the CTA?

14          A     Not to my knowledge.

15          Q     Would you disagree with Mister -- well, let  
16     me ask you this: Did you read Mr. Bachman's  
17     testimony filed on behalf of CTA and Metra?

18          A     Yes.

19          Q     Do you disagree with Mr. Bachman's  
20     statements that the CTA and Metra receive their  
21     traction power at 12.5 kV?

22          A     I understand that the lines that enter  
23     their property enter at 12.5 kV, but I also  
24     understand that that voltage is part of a larger

1 system, which includes facilities that operate at 4  
2 kV and 34 kV, as well as 12. And some of those  
3 facilities are shared facilities. So, for example,  
4 you could have a 12 kV line and a 4 kV line on one  
5 set of poles or one conduit.

6 Q If we could just back up. When you said  
7 the system, you are referring to Com Ed's system?

8 A Yeah, Com Ed's distribution system, thank  
9 you.

10 Q And I understand Com Ed's point, that these  
11 are separate -- that the systems can be one, but my  
12 question to you is, if you have -- as your example, a  
13 12.5 kV line and a 4 kV line, the 4 kV line, as you  
14 testified, I believe, cannot support CTA traction  
15 power?

16 A Cannot backup 12 kV, I think, is what we  
17 just agreed on. And I don't know if it could support  
18 the CTA traction power substation, because I don't  
19 know what kind of rectifiers they have.

20 Q Assuming for a moment that CTA requires  
21 that they receive power at 12.5 kV and that their  
22 facilities are designed for 12.5 kV, would you agree  
23 with me that since the 4 kV cannot backup the 12.5,  
24 that the Com Ed system, that 4 kV, provides no

1 assistance to the CTA?

2 A We don't have a, quote/unquote, a 4 kV  
3 system, we have a primary system which consists of 4  
4 kV facilities, 12 kV facilities and 34 kV facilities.

5 THE COURT: Can we come up with some kind of  
6 acronym for that so you don't have to say it over and  
7 over and over again?

8 THE WITNESS: The primary distribution system.

9 BY MR. BALOUGH:

10 Q Now that's Com Ed's definition of primary  
11 distribution system, is that correct, in this case?

12 A That's correct, it's based upon our  
13 definition and our general terms and conditions.

14 Q Mr. Alongi, are you aware of any other  
15 class that Com Ed currently serves where all the  
16 customers take voltage at the same voltage level?

17 A Not quite sure what you mean by takes  
18 voltage or takes service at the same voltage level,  
19 because you might take a look at the residential  
20 class and I think most residential customers take  
21 service at 12240. If that were the case, then the  
22 entire class takes service at the same voltage.

23 Q And are you aware of a class where the  
24 customers, for example, in this class there are only

1 two customers that not only take voltage at the same  
2 voltage level, but take it using the same  
3 configuration to receive the power?

4 A Configuration meaning two lines, two or  
5 more kV lines, because Metra, at some locations,  
6 actually has three 12 kV lines?

7 Q Correct.

8 A I'm sorry, is there a question.

9 Q I thought there was, but hang on. Now, the  
10 service that is supplied to the CTA, the lines that  
11 go to the station, the substations, Com Ed considers  
12 that to be nonstandard service; is that correct?

13 A Not necessarily. For a new substation,  
14 that is likely to be considered nonstandard service.

15 Q And for nonstandard service, Com Ed has a  
16 tariff that determines the cost for that nonstandard  
17 service; is that correct?

18 A That's Com Ed's Rider NS, nonstandard  
19 services and facilities, yes.

20 Q So Com Ed can compute the cost to serve  
21 that non -- to provide that new nonstandard service  
22 to a new, for example, CTA traction power substation?

23 A Using cost of labor and materials currently  
24 in effect, yes.

1           Q     In your testimony, you refer to the fact  
2     that the Commission ordered a study of how Com Ed  
3     uses the CTA and Metra's traction power substations;  
4     is that correct?

5           A     How Com Ed uses?

6           Q     Yes.

7           A     I don't believe I have any testimony that  
8     suggests Com Ed uses CTA facilities.

9           Q     You are aware of the final order in the  
10    last Com Ed rate case, are you not?

11          A     I've read it, yes.

12          Q     And you remember in that case that Com Ed  
13    was required to work with the CTA and Metra for -- to  
14    conduct a study of the CTA Metra systems?

15          A     Yes, I am familiar with that and Com Ed has  
16    been working with Mr. Bachman and two members, one  
17    from CTA and one from Metra, along with our capacity  
18    planning engineers.

19          Q     And the purpose of that study was to  
20    determine whether and how much Com Ed uses or needs  
21    the railroad class facilities to serve other  
22    customers; is that correct?

23          A     As stated in the Commission's order, yes.

24          Q     Are you involved in that study?



1           A     I have been helping facilitate the joint  
2 meetings with our capacity planning engineers and CTA  
3 and Metra engineers and Mr. Bodmer.

4           Q     And part of that study included doing load  
5 flow analyses; is that correct?

6           A     Correct.

7           Q     And to do the load flow analysis, Com Ed  
8 would have to determine what facilities are being  
9 used on the Com Ed facilities to service the load; is  
10 that correct?

11          A     That's correct. We've done a, I guess what  
12 I would say is a limited sample of the CTA and Metra  
13 traction power substation, modeling the Com Ed  
14 service to those substations.

15          Q     And in modeling the service to Com Ed  
16 substations you would be able to, then, identify, for  
17 example, the circuits and other facilities being used  
18 to feed those substations?

19          A     At a high level that's true. What the  
20 capacity planners -- the information that they need  
21 to do a power flow is the impedance of the lines. So  
22 they know the primary circuits that are involved.  
23 They can, from the primary system maps, determine the  
24 length of those feeders and the conductors used and

1     there is tables that provide the impedance of those  
2     conductors.

3             Q     But in order to get there they have to  
4     know, as you said, I believe, the primary circuits  
5     involved and the links involved?

6             A     Yes. And the conductor types. They also  
7     need to model the loads along the line for all the  
8     other customers served, as well as the railroad  
9     loads.

10            Q     And in your review -- have you reviewed any  
11     of those load flows?

12            A     I have seen the results, I have not  
13     reviewed the models that they created.

14            Q     Have you reviewed them to a point of being  
15     able to say, for example, which circuits are used to  
16     serve any particular substation on the CTA  
17     substation?

18            A     Not off the top of my head.

19            Q     In that review that you have conducted, did  
20     you see any load flows where a 4 kV circuit was used  
21     to serve a CTA traction power substation?

22            A     The diagrams that I saw show only the  
23     circuits that are used to serve the traction power  
24     substations. But that's not to say those circuits

1 don't share facilities such as poles or conduit with  
2 other voltage circuits.

3 Q I understand your testimony about sharing  
4 poles and the like, but I'm asking the circuits  
5 themselves that were involved, were any of those  
6 circuits, to your knowledge, 4 kV circuits?

7 A No.

8 MR. BALOUGH: Your Honor, I have no other  
9 questions. Thank you.

10 THE COURT: The IIEC and they have an hour's  
11 worth of cross examination scheduled. Do you need to  
12 take a break before we start them?

13 THE WITNESS: No.

14 CROSS EXAMINATION

15 BY

16 MR. ROBERTSON:

17 Q Good afternoon, Mr. Alongi?

18 A Good afternoon, Mr. Robertson.

19 Q Nice to see you again?

20 A Yes.

21 Q I would like to refer you to Page 10 of  
22 your surrebuttal testimony, Com Ed Exhibit 10.0C,  
23 corrected. And I'm looking at Line 227. Are you  
24 there?

1           A     Yes.

2           Q     Now, there you suggest that in regard to  
3     pad mounted transformers in a residential development  
4     with a direct buried underground system, the customer  
5     service wires connected to a pedestal in a secondary  
6     distribution system are directly to transformer  
7     bushings without any additional tap as suggested by  
8     Mr. Stowe; is that right?

9           A     Yes.

10          Q     Now, are all the customers you reference in  
11     your statement at Line 227 taking service from the  
12     primary system, as Com Ed defines the primary system?

13          A     The customers taking service from the  
14     pedestal would be taking service from Com Ed's  
15     secondary distribution system. The customers taking  
16     service directly from the transformer we would have  
17     classified as a primary customer.

18          MR. GOWER: Could you read that answer back.

19                     (Whereupon, the record was  
20                     read as requested.)

21     BY MR. ROBERTSON:

22          Q     Now, did Com Ed determine in any part of  
23     its primary secondary analysis, how many of the  
24     customers served via an underground distribution

1 system are connected to a pedestal?

2 A No, because we don't map services and it  
3 would have been a significant resource effort to try  
4 to determine how many customers are served from a  
5 pedestal.

6 Q Did Com Ed in any part of its primary  
7 secondary analysis determine how many of the  
8 customers, via an underground distribution system,  
9 have their service wire connected directly to the  
10 transformer bushings?

11 A We did identify transformers that serve  
12 only one customer. And in those instances, we  
13 classified those customers as primary customers for  
14 purposes of our primary secondary analysis. And that  
15 was done with the help of our computer systems.

16 Q Does Com Ed own and operate pad mounted  
17 transformers that serve more than just one customer  
18 via direct connections to their service wire?

19 A I think that's possible.

20 Q Does Com Ed provide electric service to  
21 customer accounts at primary voltage levels?

22 A We have customers that are metered at  
23 primary voltage levels. Those customers, most of  
24 those customers, I should say, take service under Com

1 Ed's Rider PM, Primary Metering if they have a  
2 recording type meter and transform either with a Com  
3 Ed transformer or a customer owned transformer, after  
4 the meter. There are some instances, I believe,  
5 where customers take primary service at a primary  
6 voltage and don't transform it. For example, an arc  
7 furnace type customer.

8 Q Has Com Ed attempted to identify these  
9 customers for the purpose of this primary, secondary  
10 analysis?

11 A And these customers meaning those --

12 Q The ones who take service at primary  
13 voltage, such as the customer you identified last in  
14 your answer?

15 A We estimated that there were potentially  
16 300 customers that take service under our Rider PM.  
17 But for customers that take service at primary  
18 voltage and don't qualify for Rider PM for one reason  
19 or another, those were nonidentified.

20 Q Now, you've already said, I think in your  
21 prior answer, you said Com Ed provides service to  
22 customer accounts where customers own their own  
23 transformation equipment?

24 A Yes, we have a limited number of customers

1       that use their own transformer.

2               Q     Has Com Ed attempted to identify the number  
3       of customers that do that for the purpose of its  
4       primary secondary analysis?

5               A     No, we haven't identified those customers,  
6       but they could be identified because they would be  
7       taking service under what Com Ed calls Rider ACT,  
8       which is allowance for customers owned transformers,  
9       which is a grandfathered rider from the last rate  
10      case.

11              Q     Now, can I refer you to Page 12 of your  
12      surrebuttal testimony, Table S1.

13              A     Yes.

14              Q     Is it correct that the extra large load  
15      delivery service class consists of customers with  
16      demands of 10 megawatts or more?

17              A     Yes.

18              Q     Do you agree that the ELL customers,  
19      customer A, B and C, shown on this table, use only a  
20      fraction of the capacity of the transformers  
21      identified in the second column that they share with  
22      other customers?

23              A     Because those transformers are shared, they  
24      use some fraction of the capacity of those

1       transformers, yes.

2               Q     For the purpose of the cross here, can we  
3       call those the community transformers?

4               A     Yes.

5               Q     Now, do you agree that the total load  
6       passing through the community transformers, shown on  
7       Table S1 makes up a fraction of customer's A, B and  
8       C's total load?

9               A     Without seeing the loads, I don't know, but  
10      I can agree, because capacity of the transformers is  
11      lower than the total capacity that might be needed  
12      for a 10-megawatt customer.

13              Q     Now, would you agree that for customer A,  
14      would you agree subject to check, that the percentage  
15      of load provided to customer A by the community  
16      transformers is 0.6 percent?

17              A     Subject to check, sure.

18              Q     And you can check your response to IIEC  
19      Data Response 7.04. I think it's a combined response  
20      to Subparagraphs A, B and C, it's a table.

21              A     Okay.

22              Q     Would you agree, subject to check, that the  
23      percentage of load provided to customer B through the  
24      community transformers is 2.0 percent? And by



1 percentage of load, I mean percentage of customer B's  
2 total load?

3 A Yes. I can accept that subject to check.

4 Q And would you agree that for customer C,  
5 that the percentage of load provided to customer C,  
6 through the community transformers, percentage of his  
7 total load, is 0.5 percent?

8 A Yes, I can accept that subject to check.

9 Q Now, can I ask you to go back to Line 222  
10 of your surrebuttal testimony, please, Mr. Alongi?

11 A 222?

12 Q Yes, sir.

13 A Yes.

14 Q And it's on Page 10. If you -- you refer  
15 in this part of your testimony to certain taps to the  
16 transformer; is that correct?

17 A Correct.

18 Q And just as a point of clarification, the  
19 taps you refer to at this part of your testimony are  
20 the same as the taps you refer to at Line 130 on Page  
21 6?

22 A Yes.

23 Q Now, you referred to, earlier today, the  
24 list of rate classes that Com Ed has for its delivery

1 service; is that correct?

2 A Yes.

3 Q And one of those classes was the high  
4 voltage delivery service class; was that correct?

5 A Yes.

6 Q And is it correct that the customers in the  
7 high voltage delivery service class take at least a  
8 part of their load at 69 kV or higher?

9 A That's correct.

10 Q Now, did you participate in Docket 05-0597,  
11 it's a Commonwealth Edison rate case?

12 A Yes, I did.

13 Q And would you accept or do you remember,  
14 wasn't that a case where the high voltage delivery  
15 service class first -- was first approved by the  
16 Commission?

17 A I believe that's true. We, prior to that  
18 rate case, I believe, if my memory serves we had a  
19 Rider HVDS and prior to that we had a Rider 111 which  
20 was for high voltage customers.

21 Q And do you recollect any of the reasoning,  
22 I'm not asking you what it is, but do you have a  
23 recollection of the reasoning that the Company  
24 expressed for creating the high voltage delivery

1 service rate class in that case?

2 A I think the original thought was having a  
3 class rate for such customers would be easier to  
4 bill. But as it turns out, as a result of the ruling  
5 in the last rate case, the billing has actually  
6 become more complicated.

7 Q Would you be willing to accept, subject to  
8 check, that at Page 196 of the rate order in Docket  
9 05-0597, it was stated that Com Ed proposes the  
10 creation of a high voltage delivery class, because  
11 high voltage customers primarily use the distribution  
12 system operating at or above 69,000 volts to obtain  
13 electric power and energy?

14 A I can accept that.

15 Q And could you also accept that, according  
16 to that order, Com Ed claimed that these customers do  
17 not utilize a significant portion of Com Ed's overall  
18 distribution system and therefore have a different  
19 set of -- a different cost of service than customers  
20 that utilize the Com Ed distribution system at levels  
21 below 69,000 volts?

22 A I can accept that, although I must say with  
23 the segmentation that now exists in the high voltage  
24 class for loads served below 69 kV, it's created a

1     very complex rate to bill.

2           Q     Okay, but we're talking about why the rate  
3     was created and the philosophy behind it in the first  
4     instance; is that correct?

5           A     Yes.

6           Q     Now, I think this is true, based on your  
7     statements so far, I take it you would agree that at  
8     least some of the high voltage delivery service rate  
9     class customers have some service lines that come  
10    into their plant at voltages below 69 kV; is that  
11    correct?

12          A     That's correct.

13          Q     Now, is it correct that in the case of high  
14    voltage customers that have some of their service at  
15    69 kV and above, they don't have to pay for the lower  
16    voltage part of the distribution system for their  
17    loads that are served at 69 kV or above?

18          A     Based upon a rate design that was approved  
19    in the last rate case, that's true.

20          Q     Now, under Com Ed's proposal in this case,  
21    customers who take services at voltage, of let's say,  
22    34.5 kV, for example, would pay for part of the  
23    secondary system, even if none of the customer's load  
24    is served at secondary voltage; is that correct?

1           A     So that assumes a 34 kV customers takes 34  
2     and uses it at 34, without any transformation?

3           A     Well, I think you talked about earlier  
4     today the wires that are entering the customer's  
5     premises at 34.5 kV. And that customer is going to  
6     pay for part of the secondary system even though none  
7     of the customer's load is served at a secondary  
8     voltage level.

9           A     I think that's correct, yes.

10          Q     Now, subject to check or if you know --  
11     strike that.

12                     Would you agree that there were 67  
13     customers in the high voltage delivery class in the  
14     2006 test year that was used in Docket 05-0597?

15          A     I can accept that, subject to check. I  
16     thought the current number was 26.

17          Q     You got a copy of Com Ed Exhibit 1.1  
18     capital A, Page 3, it's attached to your direct  
19     testimony?

20          A     1.1A?

21          Q     1.1A, Page 3.

22          A     Okay.

23          Q     Now, if my math is correct, there are 801  
24     test year billing units for customer charges there;

1 is that correct?

2 A Yes.

3 Q And if we divided the 801 by 12 billing  
4 units per year, that would produce roughly 67  
5 customers, wouldn't that?

6 A Yes. So apparently my number 26 is in  
7 error.

8 Q Now, Mr. Alongi, I would like to refer you  
9 to your table on Com Ed Exhibit 1.5, attached to your  
10 direct testimony, Page 5 of 10.

11 A Okay.

12 Q Can you point out where in this table you  
13 have identified the secondary tap wires that you have  
14 referred to at Lines 130 and 222 of your surrebuttal  
15 testimony? And just to shorten this up, I think  
16 they're the fifth and sixth lines up from the bottom.

17 A Yeah, I'm almost there. Yes.

18 Q Are these two lines the only places on this  
19 table where these tap wires appear?

20 A On this particular table?

21 Q Yes.

22 A From what I can tell, yes.

23 Q Does Com Ed use grounding wires on its  
24 secondary distribution system?

1           A     Grounding wires are used to ground  
2     secondary distribution, transformers, primary  
3     distribution.  There is generally a ground wire  
4     coming down the pole or there is a ground grid around  
5     the transformer.

6           Q     So you do use it in the secondary  
7     distribution system?

8           A     Yes, as well as for grounding transformers  
9     and primary.

10          Q     So would I -- well, let's see.  Now looking  
11     at table on Com Ed Exhibit 1.5, can you point to the  
12     types of wire that could potentially be used for  
13     grounding the secondary distribution system?

14          A     Well, there is a row that's in the  
15     retirement unit identified as Wire-CU, slash, copper  
16     weld bearer, single conductor, that, I'm not  
17     positive, but that may be a wire that's used for  
18     grounding.

19          Q     And that's a couple lines --

20          A     Yeah, maybe Wire-CU-bare single conductor,  
21     that might more likely be a ground wire.

22          Q     Okay.  And that's just a couple lines up  
23     from where we were looking originally, is that  
24     correct?

1           A     Yes.  And obviously I know where you're  
2     going.

3           Q     Would you -- I'm going too slow to let you  
4     think it out.  What percentage of the cost of those  
5     types of wire has Com Ed identified as being  
6     associated with the secondary distribution system in  
7     this exhibit?

8           A     Zero percent.

9           Q     And what percentage of the cost of those  
10    types of wires has Com Ed identified as being  
11    identified with the primary distribution system?

12          A     100 percent.

13          MR. ROBERTSON:  No further questions.  Thank  
14    you, Mr. Alongi.

15          THE WITNESS:  Thank you.

16                   CROSS EXAMINATION

17                   BY

18                   MR. GOWER:

19          Q     As you know, I'm Ed Gower, I represent  
20    Metra.  Nice to see you today.

21          A     Same here, Ed.

22          Q     Now, when Mr. Balough was questioning you,  
23    I just wanted to do some rough math, I think you  
24    testified that the current costs recovered from the



1 railroad class are something on the order of  
2 \$4,927,000 or something close to that, correct?

3 A Correct.

4 Q And if you were -- changes that you have  
5 proposed to be made in this proceeding were, in fact,  
6 made in the next rate case and there was no revenue  
7 increase, the costs that would be recovered through  
8 rates to the railroad class would be something on the  
9 order of almost \$7.5 million, correct?

10 MR. ROONEY: I just object to the  
11 characterization. Mr. Alongi has testified that Com  
12 Ed isn't proposing any change and what was presented  
13 was for illustrative purposes only.

14 THE COURT: I think the substance of his  
15 question is correct. Your admonition is taken under  
16 advisement.

17 MR. ROONEY: Thank you.

18 THE WITNESS: So if the illustrative rates that  
19 are shown in the subject exhibit, whatever exhibit  
20 that was, the increase from 4.9 million or so to 7  
21 point something, I don't remember the number, that  
22 would be the impact, yes.

23 BY MR. GOWER:

24 Q Be roughly a \$2.5 million increase or in

1     other words, a 50 percent increase in the railroad  
2     class' rates, correct?

3             A     The revenue responsibility would increase  
4     by 50 percent.

5             Q     And the corresponding rates would increase  
6     by 50 percent as well, correct?

7             A     Correct.

8             Q     If you had your way?

9             A     Yes.

10            Q     Counsel for the commercial group asked you  
11     about a world in which Commonwealth Edison had  
12     unlimited resource, do you recall that question?

13            A     Yes.

14            Q     Is there such a world?

15            A     No.

16            Q     Do you ever anticipate that there will be  
17     such a world?

18            A     No.

19            Q     Now, you made some reference to  
20     Mr. Bachman's testimony about possibly evolving  
21     somehow into a customer specific study.  
22     Mr. Bachman never requested or suggested -- never  
23     requested in his testimony that Commonwealth Edison  
24     conduct a customer specific cost study, did he?

1           A     I'm just suggesting that --

2           Q     Can you answer my question before you  
3 suggest? Did Mr. Bachman ask that Commonwealth  
4 Edison prepare a customer specific cost study?

5           A     Mr. Bachman offered to lend the assistance  
6 of CTA and Metra to Commonwealth Edison to conduct  
7 further analyses, which would result in excluding  
8 4 kV system -- I apologize 4 kV facility costs from  
9 being charged to the railroad. What that entails, I  
10 guess I'm not sure. But in my opinion it could  
11 involve something that looks a lot like a customer  
12 specific study.

13          Q     In this proceeding, unless I have  
14 completely misunderstood the entire proceeding, what  
15 you did in this proceeding was in your study of  
16 primary and secondary costs, was to separate the  
17 costs for the secondary system under 4000 -- excuse  
18 me, 4 kV, from the remainder of the system, which you  
19 characterized as primary, correct?

20          A     That is correct and which is defined by our  
21 general terms and conditions as primary.

22          Q     I'm not arguing with you about primary  
23 secondary, I'm just trying to make sure. So was that  
24 a specific cost study? A specific customer cost

1 study?

2 A No.

3 Q So if you went to the next level and you  
4 segregated the costs for below 12.5 kV and the costs  
5 above that, that also would not be a specific  
6 customer cost study, would it?

7 A It depends on how you go about doing it.

8 Q Because we're looking only at excluding  
9 from the railroads the cost of 4 kV. One approach  
10 might be to look at only the railroads, as far as  
11 what facilities serve them and direct assignment.

12 Q So you could do a customer specific --  
13 specific customer cost study to try and exclude the  
14 costs to the railroad class below 12 kV, but you  
15 don't have to do that; is that right?

16 A That's correct.

17 Q Now, the most common phase to phase  
18 voltages that Com Ed utilizes for its primary  
19 distribution systems are 4,160,000 volts -- excuse me  
20 I said 4 million, 4,160 volts, 12,470 volts and  
21 34,500 volts, correct?

22 A Those are the nominal phase to phase  
23 voltage, yes.

24 Q For the three primary distribution systems,

1 correct?

2 A For the three voltage that we operate on  
3 our primary distribution system.

4 Q Do you recall answering data requests for  
5 the CTA?

6 A Yes.

7 Q And do you recall that in those data  
8 requests you identified three primary distribution  
9 systems with the voltages I just described?

10 A Yes.

11 Q All right, you threw me, because you didn't  
12 answer the question. There are three primary  
13 distribution voltage systems in the Commonwealth  
14 Edison system; is that correct?

15 A What I said was there are three voltages  
16 that we use on our primary distribution system. I  
17 didn't say there was three systems.

18 Q Okay. What is the functional purpose of  
19 the 34,500-volt primary distribution, what do you  
20 want to call it?

21 THE COURT: Voltage. The primary system  
22 consists of three voltages; isn't that right.

23 THE WITNESS: Correct.

24 THE COURT: One of them is 34 K.

1           MR. GOWER: The data request says says 34.5  
2   volt.  
3   BY MR. GOWER:  
4           Q     What is the functional purpose of the  
5   34,500-volt distribution class?  
6           A     Well, the 34000-volt system was used to  
7   distribute electricity longer distances than -- and  
8   more power over those lines than the 12 kV or the 4  
9   kV.  
10          Q     Okay.  
11          A     And if I could add, primarily in rural  
12   areas.  
13          Q     And is there any rate class of Commonwealth  
14   Edison customers that are served exclusively by the  
15   34,500-volt distribution lines?  
16          A     Exclusively, not to my knowledge, no.  
17          Q     Of Com Ed's total distribution system, what  
18   percentage of the system would you estimate is  
19   comprised of the 34,500-volt lines and related  
20   facilities?  
21          A     I can't really give you a good estimate for  
22   that. I can tell you that there is about 300 34 kV  
23   lines and there is about a thousand 4 kV lines and  
24   there is about 4000 12 kV lines. But that doesn't

1 tell you anything about the lengths of those lines  
2 and I don't know that. I do know that the total  
3 circuit miles is 64,580 circuit miles of primary  
4 grid, but I can't tell you how much is each of those  
5 different voltage, I just don't know that offhand.

6 Q So you've got about 334?

7 A About 300, 34 kV lines, about.

8 Q And about a thousand 12?

9 A A thousand 4 kV and about 4000 12 kV.

10 Those are very rough numbers.

11 Q I may have misheard you, did you just say  
12 that there are about 4000 12 kV lines and a thousand  
13 4 kV lines?

14 A Yes.

15 Q So there are fewer 4 kV lines than 12.5 kV  
16 lines?

17 A Right. Our system is predominantly 12 kV.

18 Q When you say, so that we're talking about  
19 the same thing, when you say 12 kV, are you referring  
20 to 12,470 volt lines?

21 A Yes.

22 Q The most common phase to phase voltage that  
23 Com Ed utilizes for its secondary distribution system  
24 is 208 or 240 volts; is that correct?

1           A     Phase to phase is generally 240. We do  
2     have some 208, but it's, I would say the predominant  
3     secondary phase to phase voltage is 240.

4           Q     Now, is there a maximum recommended line  
5     that Com Ed uses to limit the distance that  
6     electricity is carried on a 240-volt line?

7           A     I'm sure there is a limitation, I don't  
8     know what it is offhand. You can only transmit power  
9     so far at a certain voltage. So the secondary  
10    voltage transmit power shorter distances than primary  
11    voltages than transmission voltages.

12          Q     And are the 4 kV lines typically going to  
13    be shorter than the 12 kV lines?

14          A     Yes.

15          MR. GOWER: May I approach, your Honor?

16                   (Whereupon, Metra Cross  
17                   Exhibit No. 17 was  
18                   marked for identification  
19                   as of this date.)  
20                   (Change of reporter.)  
21  
22  
23  
24



1 (Whereupon, there was  
2 a change of reporters.)  
3 BY MR. GOWER:  
4 Q Mr. Alongi, has the reporter handed you a  
5 copy of the exhibit?  
6 A No.  
7 MR. GOWER: Would you please.  
8 (Whereupon, Metra Cross-Exhibit  
9 No. 17 was marked for  
10 identification.)  
11 THE REPORTER: (Tendering document.)  
12 BY MR. GOWER:  
13 Q Mr. Alongi, I have just handed you a copy  
14 of what has succinctly been marked as Metra  
15 Cross-Exhibit Alongi Exhibit 17.  
16 A Okay.  
17 Q And I'd ask you first is that a copy of  
18 Commonwealth Edison Company's data response to CTA  
19 Request 103?  
20 A Yes, it is.  
21 Q And if you look at the second question, it  
22 says:  
23 "Please list all voltages."  
24 "he," referring to you, "considers

1                   to be primary."

2                   And in the response on  
3 Paragraph 2 -- and this is what confused me with your  
4 answers previously.

5                   In the response on Paragraph 2, it  
6 says:

7                   "The most common phase-to-phase  
8 voltages ComEd utilizes for its  
9 primary distribution systems are  
10 4,160 volts, 12,270 volts and  
11 34,500 volts."

12                  Do you see that?

13           A     Yes.

14           Q     Are there, in fact, three primary  
15 distribution systems at Commonwealth Edison Company?

16           A     No, we have one primary distribution system  
17 that operates at three different voltages.

18           Q     So when it talks about primary distribution  
19 systems that was an error in the data response?

20           A     Yes, there should be no "S."

21           Q     Now, you were assigned the responsibility  
22 for directing and supervising ComEd's analysis of its  
23 primary and secondary distributions systems; is that  
24 correct?

1           A     Correct.

2           Q     And the purpose of that analysis was to  
3     determine whether and to what extent adjustments to  
4     the embedded cost-of-service study were appropriate  
5     to account for the cost differences in providing  
6     service via ComEd's primary and secondary  
7     distribution systems; is that correct?

8           A     I provided information to Alan Heintz who  
9     incorporated the results of our primary/secondary  
10    analysis into the embedded cost-of-service study.

11          Q     For purposes of your analysis, you define  
12    the primary distribution facilities to include the  
13    wire, cable, attachments, portions of pole and  
14    conduits used to distribute electricity at 4,000  
15    volts or higher phase-to-phase at less than 69,000  
16    volts; is that correct?

17          A     That's correct.

18          Q     And secondary distribution facilities were  
19    defined to include the wire, cable, attachments  
20    portions of poles and conduits used to distribute  
21    electricity at less than 4,000 volts phase-to-phase;  
22    is that correct?

23          A     That's correct.

24          Q     In the 4,000 volt primary distribution

1 voltage lines that were previously discussed were  
2 included in the primary facilities for purposes of  
3 your analysis; is that correct?

4 A That's correct.

5 Q Then after you decided what the line of  
6 demar -- after you identified.

7 After you identified the line between  
8 primary and secondary facilities, you then looked at  
9 how Commonwealth Edison organizes its data with  
10 respect to its plant, correct?

11 A I'm sorry. With respect to?

12 Q It's plant and equipment?

13 A Yes.

14 Q And, specifically, you looked at the  
15 information contained in the uniform system of  
16 accounts reporting format to determine which accounts  
17 might contain facilities that could be categorized as  
18 primary or secondary distribution facilities; is that  
19 correct?

20 A Correct.

21 Q You then identified four accounts that  
22 could contain such facilities, correct?

23 A Yes.

24 Q Those accounts were account USOA Account

1 364, poles, towers and fixtures; 365, overhead  
2 conductors and devices; 366, underground conduit; and  
3 367, underground conductors and devices, correct?

4 A Correct. And later, we found some costs  
5 in -- I think it was Account 361.

6 Q Okay. You found about \$4.5 million of  
7 costs that should have been secondary, and you  
8 switched it over as reflected in your rebuttal  
9 testimony, correct?

10 A I think the number is 4.7, but, yes.

11 Q Now, with respect to Account 364, what you  
12 did is you first made a determination as to how many  
13 poles there were by region using the data available  
14 to you.

15 And then you made an engineering  
16 judgment that 57 percent of the wood poles less than  
17 50 feet tall would have secondary facilities,  
18 correct?

19 A 50 feet or less in height.

20 Q Yes.

21 A And we did it region by region, and we came  
22 up with a total for the company of 57 percent, yes.

23 Q And of those 57 percent, you then  
24 allocated, based on engineering judgment, you assumed

1 50 percent of the pole was used for secondary  
2 distribution purposes and 50 percent for primary  
3 distribution purposes, correct?

4 A Correct.

5 Q And then you multiplied 57 times 50 percent  
6 and came up with an estimate that of the wood poles  
7 under 50 feet, 28.5 percent would be assigned to the  
8 secondary facilities category, correct?

9 A That's correct.

10 Q And so conversely, you assumed that roughly  
11 71.5 percent of all ComEd's wooden poles under  
12 50 feet and all of its poles over 50 feet, 50 feet  
13 tall, should be assigned to ComEd's primary  
14 facilities?

15 A That's correct.

16 Q What are the standard heights of  
17 Commonwealth Edison's wooden poles? Are there  
18 different standard heights? How did you arrive at  
19 that? Why did you pick 50 feet?

20 A Most line poles are 40-foot poles. And a  
21 line pole is a pole that has no equipment on it; and  
22 by equipment I mean by transformers, switches,  
23 capacitors, voltage regulators, things of that  
24 nature. For those equipment poles, the height is

1 generally 45 feet.

2 Q And are there taller poles than 45 feet?

3 A Yes.

4 Q And are there fixed levels according to  
5 what kind of equipment is on them?

6 A Well, taller poles can be used for  
7 multi-circuit poles where you have 34 kV and 12 kV or  
8 12 kV and 4 kV on the same pole. It can be used to  
9 go over railroads. It can be used to get over trees  
10 that are high, things of that nature.

11 Q Now, after you did your initial analysis  
12 and you just count the number of poles, figured  
13 57 percent were in category secondary, and then you  
14 did a 50-percent allocation and came up with  
15 28.5 percent of the poles being allocated as  
16 secondary. Prior to filing your rebuttal testimony,  
17 you then went out and sampled 10 poles in 19 areas of  
18 Commonwealth Edison, correct?

19 A Correct.

20 Q And you would assume that all wood poles  
21 that were in excess of 50 feet were primary and what  
22 you discovered was, in fact, 34.9 percent should be  
23 assigned to the secondary category, correct?

24 A Based on the example I think it was 50

1 poles for the over 50-foot poles?

2 Q Excuse me. Correct?

3 A Yes, that's what we found.

4 Q Then you made adjustments?

5 A Yes.

6 Q And that's the extent of the analysis that

7 was done for Account 364, correct?

8 A Between what we filed in direct testimony

9 and rebuttal testimony, that's correct.

10 Q Now, USOA Account 365, I didn't see a great

11 deal of verbal description in your testimony. I

12 think the allocation that you made for that account

13 may be on Commonwealth Edison Exhibit 1.5 at Page 5

14 of 10 in the very small print that I can't read.

15 Can you take a look at that and tell

16 me what you did to separate out the costs between

17 primary and secondary in Account 365 please.

18 A My recollection is we have both primary and

19 secondary mapped in what we call our CEGIS Mapping

20 System.

21 Q That's the Commonwealth Edison GIS?

22 A Commonwealth Edison Geographical

23 Information System inside Chicago.

24 Outside Chicago, we don't have primary



1 and secondary mapped totally.

2 We have some secondary that's been  
3 mapped outside of Chicago since I think the year was  
4 2002, somewhere thereabouts.

5 But anyways, inside the City, we have  
6 both primary and secondary map.

7 So what we did inside the City is we  
8 determined through the CEGIS System how much footage  
9 we had at primary versus secondary, and that  
10 percentage at primary was 73.6 percent as shown on  
11 Page 6. And we estimated for -- I'm sorry -- I'm  
12 looking at the wrong page.

13 I have to back up one second.

14 Which account are we talking about?

15 Q 365.

16 A Okay. Because I was looking at 366, for  
17 some reason.

18 Q Let's just assume -- can we assume that  
19 your prior testimony concerning 36 -- describing what  
20 you did for 365 was, in fact, 366. And you can go  
21 ahead and finish with 366.

22 A So 366, which is the conduit, we determined  
23 that 5.1 percent of the conduit in the City is used  
24 for secondary and the remainder is used for primary.

1                   We then estimated outside the City  
2   because we don't have secondary fully mapped outside  
3   the City. We estimated the percent of conduit  
4   outside the City used for secondary to be 1 percent  
5   because there's far fewer secondary networks outside  
6   the City which is where you would have secondary  
7   conduit.

8                   Meaning, we have a limited number  
9   of --

10           JUDGE HAYNES: Secondary what?

11           THE WITNESS: I'm sorry.

12                   We have a limited number of secondary  
13   network systems outside the City in Elgin, Aurora,  
14   Evanston. So we felt 1 percent was reasonable.

15   BY MR. GOWER:

16           Q     So unlike the City where you have secondary  
17   networks because of people are living closer together  
18   in the suburbs. It's a little more spread out. So  
19   you use your primary distribution system to deliver  
20   to particular subdivisions, then you drop down into  
21   secondary? Is what you're saying?

22           A     Well, the secondary network systems I'm  
23   talking about are in the central district areas and  
24   in certain shopping centers, like, I think Evergreen

1 Park Shopping Center is one of them where we actually  
2 have secondary networks.

3 And a secondary network is where you  
4 actually have secondary distribution running between  
5 transformers that actually parallel the transformers  
6 together so that if one transformer fails that  
7 secondary still remains in service. And there's very  
8 few of those type of secondary network systems on  
9 ComEd's system outside of Chicago.

10 Q And so have you now described what you  
11 did -- you used the CEGIS information for inside the  
12 City to identify primary versus secondary. And then  
13 outside the City, you made an engineering judgment?

14 A Yes.

15 Q Okay. And have we now covered the uniform  
16 system of Account 366 and what you did for your  
17 analysis there?

18 A In 364, I'm looking at ComEd Exhibit 1.5 on  
19 Page 2, for example, what we did there is we  
20 identified --

21 Q Let me stop you, if I could, for just one  
22 second.

23 You're dropping back to Exhibit US --  
24 the Uniform System of Account 364 and we were on 366.

1           A     Oh, okay.

2           JUDGE HILLIARD:   It was a "yes" or "no"

3     question.

4                     Did you describe what you did with 366

5     or not?

6           THE WITNESS:   I need to look at it.

7                     366, we identified the retirement

8     units listed on Page 7 on ComEd Exhibit 1.2 that were

9     inside the City of Chicago and assigned 5.1 percent

10    of those costs.

11          JUDGE HILLIARD:   All right.   You already stated

12    that.   His question is:   "Are you finished describing

13    what you did with 366"?   You don't have to say it all

14    over again.

15          THE WITNESS:   It wasn't clear to me if he

16    wanted more of the detail on the detail sheet that's

17    in fine print.   And if not, then I'm done.

18    BY MR. GOWER:

19          Q     Conceptually, I just wanted to make sure

20    that you described what you did.

21          A     Yes.

22          Q     Now, so we did 364.   We did 366.

23                     Let's back up to 365.

24                     What did you do as part of your

1 analysis to determine the primary/secondary split on  
2 uniform system of Account 365?

3 A On Page 5 of ComEd Exhibit 1.5, we looked  
4 at the third column over entitled retirement units  
5 and identified equipment that was listed there. For  
6 example, the first line is an  
7 arrestor-lightening-line type. That's a piece of the  
8 equipment that's on the primary system, so we  
9 designated that 100 percent primary.

10 Continuing down, an example of a  
11 cable. It's designated as cable signal pilot  
12 pressure and, T-E-L, is a piece of equipment used on  
13 the secondary system, so we designated that  
14 100 percent secondary.

15 And then there's some items that are  
16 non unitized that we designated as the as the average  
17 of those that were unitized and we could classify  
18 them.

19 So I can't tell you exactly what line.  
20 But there's a line that's designated as primary 84.4  
21 and secondary 15.6. That represents the average of  
22 the items that we couldn't classify as either primary  
23 or secondary.

24 Q In the mean, did you go down that list and

1 identify pieces of equipment or components and decide  
2 whether they were primary or secondary? And if they  
3 were used for both, then did you make some judgment  
4 as to what they were used for?

5 A Yes.

6 Q Okay. Now, let's turn to uniform system  
7 of Account 367, Underground Conductors and Devices.  
8 And I think that's described, to guide you to it, on  
9 ComEd Exhibit 1.5 at Pages 9 and 10.

10 And I would just ask you if you could  
11 explain what was done to segregate primary from  
12 secondary in that account?

13 A Basically the same process; looking at the  
14 retirement units, deciding if we felt that those  
15 retirement units were primary or secondary.

16 And for the non unitized, we used the  
17 average of those that we were able to classify.

18 Q So, again, you went through and made  
19 engineering judgment as to the equipment that fell  
20 into that category, correct?

21 A Yes.

22 Q And you alluded to this earlier, after you  
23 analyzed those four USOA accounts, you discovered  
24 4.7 million in Account 361, Structures and

1       Improvements that should have been classified as  
2       secondary, correct?

3             A       Correct.

4             Q       And the sum total of your analysis that we  
5       just discussed and the two provisions that you made,  
6       one in the pole arena and one in the structures and  
7       accounts is that you concluded that it's only  
8       13.5 percent of ComEd's total plant and equipment  
9       costs should be assigned to the secondary  
10      distribution system, correct?

11            A       Of the accounts that we looked at, yes.

12            Q       And -- well, there aren't any other  
13      accounts that you analyzed and concluded had some  
14      component of both primary and secondary in them, are  
15      there?

16            A       We looked at, I think the USOA Accounts 360  
17      through 373, I think. And only the five now that we  
18      identified as having both primary and secondary items  
19      were the ones that were analyzed in more detail.

20            Q       So 13.5 percent went to secondary, and  
21      86.5 percent went to primary as a result of your  
22      analysis, correct?

23            A       Right.

24            Q       Okay. Now, assume that Ross Hemphill

1 walked into your office tomorrow and he said,  
2 "Mr. Alongi, I need you to calculate to the maximum  
3 extent practicable the split in our distribution  
4 system between the facilities utilized to deliver  
5 services below 12,470 volts and the facilities  
6 required to deliver services at or above 12,470  
7 volts."

8 What would you do?

9 A Ask him for more people, for one. Ask him  
10 when it needs to be done.

11 Q Okay. What else would you do?

12 Sooner or later, you would conduct the  
13 requested analysis, wouldn't you, after you got more  
14 people and you got more detail and you got a deadline  
15 and you asked all the questions that a good manager  
16 would ask, what would you do to conduct the analysis?

17 A To separate the primary system at or below  
18 a 12 kV -- or at or below 12 kV versus above? So  
19 basically 34 kV versus below? I just want to  
20 understand.

21 Q Let's take a step back, so we all  
22 understand.

23 The railroad class currently, the  
24 lines going into the railroad to both CTA and Metra



1 facilities are at 12,470 volts, correct?

2 A I think we have established that, yes.

3 Q Okay. Is that what you refer to as 12 kV?

4 A Yes.

5 Q Okay. So what I'm asking you to do is tell  
6 us what you would have to do to figure out what part  
7 of Metra's system provides services at 12 kV and  
8 above and what part of Metra services provides -- let  
9 me start again.

10 What I'm asking you to do is tell me  
11 what analysis you would conduct to identify that part  
12 of Commonwealth Edison's distribution system that  
13 provides services at 12 kV and above and what part of  
14 Metra's -- what part of Commonwealth Edison's system  
15 provides services at below 12 kV?

16 A Well, I guess the first step is we are  
17 basically talking about separating the part of the  
18 system that operates at 4 kV versus the part that  
19 operates at 12 and 34 kV.

20 So --

21 Q I haven't asked you that.

22 I'm just asking you to separate into  
23 two parts; one part is 12 kV and up and one part is  
24 below 12 kV.

1           A     Right.  And the one part that's below 12  
2     kV, setting aside the secondary that we've already  
3     dealt with --

4           Q     Yes.

5           A     -- is 4 kV?

6           Q     Yes.

7           A     So we would -- I think the first step is we  
8     would collect those 1,000 maps of 4 kV feeders,  
9     determine what length of conductors are used to  
10    distribute at 4 kV.

11                   I'm not sure what I would do with that  
12    information because much of the facilities at 4 kV  
13    are actually built at 12 kV standards, so when we  
14    look at the -- well, I guess we would attempt to look  
15    at the length of the various conductors used for 4 kV  
16    and all the related facilities versus those that are  
17    used at 12 and 34, and try to conduct the same type  
18    of analysis that we've done for the secondary where  
19    we would allocate parts of the system to 4 kV and  
20    parts to above 4 kV at a very high level.

21                   I guess, I'm saying we've have to do  
22    essentially the same thing that we've attempted to do  
23    here for the primary/secondary.

24           Q     And you would agree with me, would you not,

1     that the primary/secondary analysis that you did in  
2     this case was done at a very high level?

3             A     Given that the data that we had to work  
4     with, it had to be.

5             Q     And so the same analysis would be done at a  
6     very high level for the 12 kV separation, correct?

7             A     If that's the manner in which Mr. Hemphill  
8     directed me to do it. If he directed me to do the  
9     actual cost of the 4 kV system, it would be another  
10    matter.

11            Q     That would be a very different study than  
12    the study for this case, right?

13            A     Right.

14                         But that's part of  
15    clarifying -- confirming and clarifying with your  
16    boss, what your boss wants you to do.

17            Q     I understand.

18            MR. GOWER: That's all I have.

19                         Thank you.

20            JUDGE HILLIARD: I think this is a good time  
21    for a 5-minute break.

22            MR. ROBERTSON: Your Honor, at this time this, I  
23    would like to move the admission into evidence of the  
24    direct testimony of Robert R. Stephens on behalf of

1 IIEC. IIEC Exhibit 1.0, IIEC Exhibit 1.1, both of  
2 which were filed on E-Docket on May 22, 2009; the  
3 rebuttal testimony of Mr. Stephens, IIEC Exhibit 3.0  
4 and IIEC Exhibit 3.1, both of which were filed on  
5 E-Docket on October 2, 2009. And Mr. Stephens'  
6 affidavit IIEC 6.0 filed on E-Docket on November 3,  
7 2009.

8 I would also move the admission of the  
9 direct testimony and exhibits of Mr. David L. Stowe  
10 for IIEC. IIEC 2.0 his direct testimony and IIEC  
11 Exhibits 2.1, 2.2, 2.3, 2.4 and 2.5 all filed on  
12 E-Docket on May 22, 2009.

13 The rebuttal testimony and exhibits of  
14 Mr. David L. Stowe for IIEC; IIEC Exhibit 4.0, his  
15 rebuttal, together with IIEC Exhibit 4.1, 4.2, 4.3  
16 and 4.4 all filed on the E-Docket on October 2, 2009.

17 And I would move the admission of IIEC  
18 Exhibit 7.0, Mr. Stowe's affidavit filed on the  
19 E-Docket on November 3, 2009.

20 And, finally, I would move the  
21 admission of the rebuttal testimony of the exhibit of  
22 Mr. James R. Dauphinais for IIEC, being IIEC 5.0, his  
23 rebuttal testimony and IIEC 5.1 both filed on  
24 E-Docket on October 2, 2009.

1                   And Mr. Dauphinais' affidavit being  
2    IIEC 8.0 filed on the E-Docket on November 3, 2009.

3                   JUDGE HILLIARD: Spell Mr. Dauphinais for the  
4    reporter.

5                   MR. ROBERTSON: D-a-u-p-h-i-n-a-i-s and Stephens  
6    is S-t-e-p-h-e-n.

7                   JUDGE HILLIARD: Hearing no objection, IIEC  
8    Exhibit 1.0, 1.1, 3.0, 3.1, 6.0, 2.0, 2.1 through  
9    2.5, 4.0 and 4.1 through 4.4 and 7.0 and exhibits  
10   5.0, 5.1 and 8.0 will all be admitted in the record.

11                  MR. ROBERTSON: Thank you, your Honor.

12                               (Whereupon, IIEC Exhibit  
13                               Nos. 1.0, 1.1, 3.0, 3.1, 6.0,  
14                               2.0, 2.1 through 2.5, 4.0 and  
15                               4.1 through 4.4 and 7.0 and  
16                               Exhibits 5.0, 5.1 and 8.0 was  
17                               admitted into evidence.)

18                  MR. TOWNSEND: Your Honor, while we are  
19   performing cleanup here, I believe Mr. Rooney had  
20   something to report back with regards to the  
21   on-the-record data request for the updated switching  
22   projections?

23                  MR. ROONEY: Yes, your Honor, I confirmed that  
24   the Company has not developed any update yet. As

1 Mr. Meehan testified yesterday, that process is  
2 underway now, but there's no definitive update of the  
3 information that we provided to all the parties  
4 including REACT earlier this year in a data request  
5 response.

6 MR. TOWNSEND: So the projections that we  
7 received in that data request response are still  
8 ComEd's projections?

9 MR. ROONEY: That's correct.

10 MR. TOWNSEND: And we also received some  
11 additional information with regards to the  
12 on-the-record data request with regards to  
13 Mr. Meehan. And in particular, the work paper that  
14 he referenced that was prepared by Mr. Tim Leahey,  
15 correct?

16 MR. ROONEY: It was information that was  
17 referenced by Mr. Meehan yesterday and he made  
18 reference in work papers of Mr. Leahey. We pointed  
19 towards two DR responses to counsel. One was REACT  
20 2.42. And inside 2.42, it references a DR response  
21 that the Company provided to Peter Lazare 2.03 where  
22 there was a work paper attached to that document, and  
23 that's the document that Mr. Meehan was referencing  
24 when we discussed yesterday.

1                   So that was identified for counsel.

2           MR. TOWNSEND: Your Honors, we have copies of  
3   those data request responses that we would like to  
4   offer into evidence as REACT Cross-Exhibit -- I  
5   suppose we do this has Meehan 18.

6           MR. ROONEY: I guess my question at this point  
7   before I -- for what purpose is this being offered?

8           MR. TOWNSEND: It's to reference what it was,  
9   so that the record is complete as to what it was that  
10   Mr. Meehan was referencing when he said that he saw a  
11   work paper that was prepared by Mr. Leahey related to  
12   dividing the call center information regarding the  
13   supply information versus the billing information.

14                   And if this is what he was relying on,  
15   the record should be clear as to what it was he was  
16   relying on. We can make arguments as to whether or  
17   not this actually contains any such information.

18           JUDGE HILLIARD: Did you give three to the  
19   reporter?

20           MR. TOWNSEND: I have now.

21           MR. ROONEY: I guess, my only question is I'm  
22   not sure about the arguments made to whether it  
23   contains such information. This is a document that  
24   he stated he relied upon. There is no factual

1 witness otherwise that could claim what is or isn't  
2 in here.

3 REACT's had this information since  
4 April of this year or May. I mean, if we want to  
5 just include this document in the record for the  
6 purpose that that's the document that Mr. Meehan said  
7 he relied upon, I don't have any objection to that.

8 MR. TOWNSEND: That's fine. That's what we  
9 will have it admitted for then.

10 JUDGE HILLIARD: Okay.

11 (Whereupon, Meehan Exhibit  
12 No. 18 was admitted into  
13 evidence.)

14 JUDGE HAYNES: Before we go on, Mr. Gower, did  
15 you want Cross-Exhibit 17? Did you want to move that  
16 into the record?

17 Mr. Gower, did you want to move  
18 Cross-Exhibit 17 into the record?

19 MR. GOWER: No. Thank you, your Honor.

20 JUDGE HILLIARD: Okay. REACT Meehan  
21 Cross-Exhibit 18 will be admitted into the record.

22 Did you have something you wanted to  
23 say, Mr. Jolly?

24 MR. JOLLY: I guess that it's my understanding



1     while I was out of the room, the City Exhibit 1.0,  
2     City 2.0 revised were admitted?

3             JUDGE HAYNES:   And 3.0 the affidavit.

4             MR. JOLLY:    Thank you.

5             JUDGE HILLIARD:   Yes. We're working for you  
6     even when you're not here.

7                             (Whereupon, City Cross-Exhibit  
8                             Nos. 1.0, 2.0 revised and 3.0  
9                             were admitted into evidence.)

10            JUDGE HILLIARD: Go ahead, Mr. Townsend.

11            MR. TOWNSEND:   Thank you, your Honor.

12                             CROSS-EXAMINATION

13                             BY

14                             MR. TOWNSEND:

15            Q     Good afternoon, Mr. Alongi.

16            A     Good afternoon.

17            Q     My name is Christopher Townsend Appearing  
18     on behalf of REACT, the Coalition to Request  
19     Equitable Allocation of Costs Together.

20                             Mr. Alongi, you were the manager of  
21     retail rates at ComEd, correct?

22            A     That's correct.

23            Q     And in that role, you plan and direct the  
24     development and implementation of ComEd's retail

1 tariffs and revisions to those tariffs, correct?

2 A That's correct.

3 Q That includes the planning and direction of

4 ComEd's retail rate design, cost of service

5 activities, and retail rate administration, right?

6 A That's correct, up until a point very

7 recently the cost of service responsibilities have

8 been moved from my department, retail rates to -- I'm

9 not sure what the department is called now, but it's

10 regulatory strategies and analysis, or something like

11 that. But it's basically under Ross Hemphill.

12 Q When did that happen?

13 A Oh, I don't know, maybe a month ago.

14 Q Was that as a result of the issues that

15 were raised in this it proceeding?

16 A No.

17 Q You were present in the hearing room

18 throughout yesterday's hearing, correct?

19 A Yes, I was.

20 Q So you know that ComEd Witnesses Hemphill,

21 Heintz and Meehan repeatedly deferred to you on a

22 number of issues, right?

23 A Unfortunately, I understand that they did

24 defer some items to me, yes.

1           Q     We'll try to get those items, as well as  
2     some other questions here today?

3           A     Okay.

4           Q     You would agree that costs shall be  
5     allocated as precisely as reasonably possible to a  
6     group of customers who benefit from the particular  
7     services provided by ComEd, correct?

8           A     Well, the level of precision that's  
9     achievable is directly related to the level of detail  
10    and the data.

11                    So to the extent that the detail is  
12    there will determine the level of precision.

13                    But at a high level, we want the cost  
14    allocated to customers as precisely as we can, but  
15    that depends on the level of detail in the data.

16           Q     So costs associated with providing service  
17    to one class of customers should be recovered in  
18    rates charged to that group of customers as precisely  
19    as you can?

20           A     As precisely as the data allows, that's  
21    correct.

22           Q     And the costs associated with providing  
23    service to more than one class of customers should be  
24    recovered by allocating costs among the classes that

1 receive that service, right?

2 A Yes.

3 Q And you agree with Dr. Hemphill that ComEd  
4 should adhere to the fundamental cost of price  
5 principles, right?

6 A Yes.

7 Q Fundamental cost price principles is  
8 another way of saying assigning costs to the cost  
9 causer, right?

10 A That's one of the principles. I mean,  
11 there's rate stability, gradualization. There's a  
12 number of principles.

13 But, yes, fundamentally where we want  
14 to end up at is cost-base rates.

15 Q And you're familiar with the final order in  
16 Docket No. 07-0566, the 2007 ComEd rate case, right?

17 A Yes.

18 Q You testified in that case, right?

19 A I did.

20 Q And in ComEd's 2007 rate case and in this  
21 proceeding, ComEd recommends using an embedded  
22 cost-of-service study, right?

23 A The Commission has directed the Company to  
24 use embedded cost-of-service studies in the last

1 several cases, I guess I'd say, and the rules require  
2 only that we file an embedded cost study.

3 Q There was a specific directive from the  
4 Commerce Commission itself defining how it is that  
5 ComEd has to submit its cost-of-service study?

6 A Maybe I can clarify, the Commission  
7 rejected the marginal cost-of-service study in at  
8 least two cases that we filed for distribution rates.  
9 And subsequently changed the rule to require only a  
10 rate of cost-of-service study.

11 So I think it's fair to say, the  
12 Commission endorses the embedded cost-of-service  
13 study approach.

14 Q You're aware that in ComEd's 2007 rate  
15 case, the Commission reached some conclusions that  
16 were highly critical of ComEd's embedded  
17 cost-of-service study, right?

18 A They raised some concerns.

19 Q Well, you understand that the Commission  
20 found that ComEd's embedded cost-of-service study  
21 failed in several respects to properly allocate  
22 significant costs to the cost-causers, right?

23 MR. ROONEY: I guess I object to the question.  
24 The order speaks for itself as to what the Commission

1 found.

2 MR. TOWNSEND: I'm asking his understanding.

3 JUDGE HILLIARD: Overruled.

4 THE WITNESS: I think the Commission expressed  
5 some concerns about the cost allocation using the  
6 embedded cost-of-service study that we submitted in  
7 the last rate case.

8 I think they pointed out that they  
9 believed there should be some distinction between the  
10 primary and secondary voltage levels.

11 I think they identified uncollectibles  
12 for residential customers as an area that needed to  
13 be looked at. They identified customer-care costs,  
14 whether they should be allocated between distribution  
15 and supplies, another area they were interested in  
16 taking a further look at in this docket.

17 They identified street-lighting,  
18 ownership of facilities as an area to look at and  
19 certain customer-related costs or I think they were  
20 called customer-installation costs that they wanted  
21 us to look at as to whether they were caused by usage  
22 versus customers.

23 So I think those areas were pretty  
24 well-defined where they were concerned.

1 BY MR. TOWNSEND:

2 Q Well, the Commission concluded that the  
3 ComEd embedded cost-of-service study in the 2000 rate  
4 case was so flawed that it was problematic for them  
5 to even rely upon it to set the rates in that  
6 proceeding. Isn't that your understanding?

7 A I believe they did rely on it.

8 I believe we set rates based upon that  
9 cost-of-service study with the exception of the  
10 extra-large load class, the high-voltage class and  
11 the railroad class having their distribution  
12 facilities charged moved only 25 percent towards the  
13 costs that came out of the embedded cost study. And,  
14 of course, the other nonresidential customers picked  
15 up the costs that weren't assigned to those three  
16 classes.

17 Q But they did that recognizing that there  
18 was substantial deficiencies in the embedded  
19 cost-of-service study, correct?

20 A I don't recall them using that particular  
21 language, but if you want to point me to it, I'll  
22 take a look.

23 Q Sure.

24 I will hand you what's been previously

1     marked as REACT Cross-Exhibit Hemphill 1 and ask you  
2     to turn to Page 213 of that excerpt from the  
3     Commission's order.

4             MR. TOWNSEND: Your Honors, do you need another  
5     copy?

6             JUDGE HILLIARD: No thanks.

7             JUDGE HAYNES: No.

8             JUDGE HILLIARD: We wrote it.

9                             (Laughter.)

10            THE WITNESS: Okay. I'm looking at 213.

11                           Sorry, but what I can't tell is if  
12     this is part of the Commission's conclusion.

13            MR. TOWNSEND: Well, why don't you take a  
14     minute and read that to see whether or not it reads  
15     like the Commission's conclusion.

16            MR. ROONEY: It either is or isn't.

17     BY MR. TOWNSEND:

18            Q     You can start at bottom of  
19     Page 207 for example where it says, "The Commission  
20     is not convinced that either position is correct.

21                           On 212, it talks about many  
22     intervenors taking issue with something.

23                           At the top of 213, it says "The  
24     Commission finds the embedded cost-of-service study



1 fails in several respects to properly allocate  
2 significant costs to cost-causers and to correctly  
3 measure the cost of service of various classes and  
4 subclasses, right?

5 A That's what it says, right.

6 Q Does that sound like a Commission  
7 conclusion?

8 A Yes, it does.

9 When it says "The Commission finds," I  
10 would agree that sounds like a Commission conclusion.

11 Q Right.

12 And then the third paragraph on 213  
13 begins, "The Commission disagrees."

14 Correct?

15 A Yes.

16 Q And the second sentence says, "However, as  
17 we've noted, the substantial deficiencies and  
18 specific elements in the embedded cost-of-service  
19 study render it problematic for purposes of rate  
20 setting in this docket."

21 Right?

22 A Yes, it says that, yes.

23 Q So you agree then that the Commission found  
24 to problematic to even rely upon the embedded

1 cost-of-service study to set rates in that  
2 proceeding, right?

3 A That's what that sentence says, but we did  
4 set rates based on that cost-of-service study.

5 Q But they found it so troubling that they  
6 had to open up a second investigation, this  
7 proceeding, in order to look into specific areas and  
8 actually re-examine the rate design, correct?

9 A Yes.

10 Q You understand that the Commission  
11 specifically expressed concerns related to the  
12 allocation of customer-care costs, right?

13 A That was one of the items identified, yes.

14 Q You understand that the customer-care costs  
15 are those costs associated with ComEd providing  
16 billing and customer service, right?

17 A Customer-care costs include billing and  
18 customer service, yes.

19 Q And you understand the question regarding  
20 customer-care costs is whether ComEd has properly  
21 allocated the customer-care costs to the supply  
22 function in its delivery function, right?

23 A Correct.

24 Q And you agree that ComEd incurs

1 customer-care costs associated with both its supply  
2 function and its delivery function, right?

3 A I think that's really a subject of  
4 Mr. Meehan's testimony. I did not testify on  
5 customer care.

6 Q Well, actually, he deferred to you on some  
7 of the questions with regards to the actual costs of  
8 customer care, but we'll get into that further.

9 You wouldn't have any reason to  
10 disagree with Mr. Meehan's conclusion that ComEd  
11 incurs customer-care costs associated with both its  
12 supply and its delivery function, would you?

13 A If that's what Mr. Meehan testified to, I  
14 wouldn't disagree.

15 Q Well, you were here. You heard him testify  
16 to that yesterday, right?

17 A I can't say I listened to every single  
18 word, but I was here.

19 Q And we had an exchange with Mr. Meehan and  
20 your name came up, actually, as to one of the  
21 witnesses that could address some of those issues,  
22 right?

23 A I do recall.

24 Q And so -- would you agree that

1 supply-related customer-care costs should be  
2 recovered in ComEd supply rates?

3 MR. ROONEY: Objection. This -- the witness  
4 has testified already. It's asked and answered.  
5 He isn't the witness on this point.  
6 Mr. Meehan handed off specific questions, not the  
7 entire issue to Mr. Alongi.

8 MR. TOWNSEND: Again, Mr. Alongi is the person  
9 who --

10 JUDGE HILLIARD: If he knows the answer, he can  
11 answer it.

12 MR. TOWNSEND: -- who designs the retail rate  
13 design.

14 THE WITNESS: I'm sorry.  
15 What was the question?

16 BY MR. TOWNSEND:

17 Q To the extent ComEd incurs supply-related  
18 customer-care costs, do you agree that those costs  
19 should be recovered in ComEd supply rates?

20 A No.

21 Q So if ComEd incurs supply-related  
22 customer-care costs that ComEd can identify as being  
23 related solely to the supply side of its business,  
24 your testimony is that those costs should be

1 attributed to the delivery services' rates?

2 A I think the key word there is "solely."

3 Q Okay. So you would agree that to the  
4 extent that ComEd can identify customer-care costs  
5 that are solely supply-related, those should be  
6 recovered in the supply rates?

7 A Well, I guess, I'm looking at my ComEd  
8 Exhibit 1.0, Page 27, where I gave some history on  
9 the supply administration costs.

10 And I referenced at Lines 569 through  
11 591 some guidance that the Commission gave with  
12 respect to what was then called the Supply  
13 Administration Costs in ComEd's 2007 Procurement  
14 Proceeding.

15 And in that proceeding, as I indicated  
16 in my testimony, Staff was concerned that ComEd  
17 Procurement Tariff would create an inappropriate  
18 incentive to inflate the supply rate and argued to  
19 limit the scope of the supply tariff, Rider PE,  
20 Purchased Electricity, to recover only those  
21 administrative costs that directly result from  
22 ComEd's discharge of its supply responsibilities, but  
23 not common costs that might otherwise be applicable  
24 to supply.

1                   And in response to that, in the tariff  
2   that we filed in compliance with that order, there is  
3   a provision that says ComEd makes it clear that the  
4   internal and administrative costs that will flow  
5   through the rider are incurred solely as a result of  
6   ComEd meeting its statutory procurement obligation.

7                   So, I guess, in my mind, I don't  
8   believe customer-care costs fall into that category.

9           Q     Don't fall into what category?

10          A     Costs that's solely related to the  
11   discharge of ComEd's responsibilities in the  
12   procurement of supplies.

13          Q     So that's what the Commission had  
14   instructed ComEd to follow, correct?

15          A     Yes.

16          Q     As a matter of ratemaking principles, would  
17   you agree that supply-related customer-care costs  
18   should be recovered in ComEd supply rates?

19          MR. ROONEY:  Objection.  It's beyond his  
20   testimony.

21                   He's not the policy witness talking  
22   about this issue.

23          MR. TOWNSEND:  He's the head of ComEd's retail  
24   rate design.

1 JUDGE HILLIARD: He is not the policy witness,  
2 but you ought to know the policy.

3 MR. ROONEY: But his testimony doesn't even  
4 touch upon this anywhere in his testimony, your  
5 Honor.

6 JUDGE HILLIARD: If he knows what the policy  
7 is, he can answer the question.

8 If he doesn't, he can say he doesn't  
9 know.

10 THE WITNESS: Well, under ComEd's policy in  
11 this case, we would not allocate those customer-care  
12 costs to supply.

13 BY MR. TOWNSEND:

14 Q I understand that's what you've done here.

15 The question is: As a matter of  
16 ratemaking principle, would you agree that  
17 supply-related customer-care costs should be  
18 recovered in supply rates?

19 A I can agree that they could be, but I can't  
20 agree that they should be.

21 Q And the reason that you don't say that they  
22 should be is because of a prior Commission directive,  
23 correct?

24 A Yes.

1           Q     And the Commission also directed ComEd in  
2     this case to look at the customer-care cost issue  
3     again, correct?

4           A     They did.

5                                 (Whereupon, there was  
6                                 a change of reporters.)

7     BY MR. TOWNSEND:

8           Q     Would you agree that REACT, through the  
9     testimony of Mr. Merola, has presented an argument  
10    that there should be an allocation of a percentage of  
11    the customer care costs to ComEd's supply function?

12          A     I agree that's what Mr. Merola testified  
13    to, yes.

14          Q     You'd agree that Mr. Merola doesn't argue  
15    that all of the customer care costs should be  
16    allocated to the supply function, right?

17          A     He does not.

18          Q     Instead, Mr. Merola recommends that a  
19    percentage -- about 31 percent -- of the total  
20    revenue requirements for customer care be allocated  
21    to the supply function, right?

22          A     I don't recall the exact percentage. I  
23    recall a figure of \$88 million or something like  
24    that.



1           Q     There were some customer care costs that  
2     ComEd has directly assigned to the supply function,  
3     correct?

4           A     That's correct.

5           Q     And we discussed those with yesterday with  
6     Mr. Meehan, the witness that the company had  
7     presented on the allocation of customer care costs,  
8     right?

9           A     Yes.

10          Q     And I believe Mr. Meehan deferred to you on  
11     that item with regards to the specific allocation,  
12     correct?

13          A     I believe that's true.

14          Q     Would you agree that under ComEd's embedded  
15     cost of service study, .04 percent of the total  
16     revenue requirements for customer care would be  
17     allocated to the supply function?

18          A     I'm not sure what the percentage is. I  
19     recall that there was a 1 \$12,000 or so of electric  
20     service station department -- or I'm sorry --  
21     electric supplier service department costs that were  
22     allocated to supply, and they are part of the  
23     customer care operations.

24          Q     And yesterday, Mr. Meehan indicated that

1     you'd be the appropriate person to talk to about the  
2     way in which the \$112,482 of customer care costs were  
3     attributed to ComEd's supply costs, right?

4             A     I believe he may have deferred that to me.

5             Q     Do you have in front of you what's been  
6     previously marked as REACT Cross Exhibit Meehan 10?

7             A     No.

8             MR. TOWNSEND:   May I approach?

9             JUDGE HILLIARD:   Yes.

10    BY MR. TOWNSEND:

11            Q     I'll hand you what's been previously marked  
12    as REACT Cross-Examine Meehan 10.   I'd ask you to  
13    turn to Page 5 of 6.   Let me know once you've had a  
14    chance to review that.

15            A     Okay.

16            JUDGE HAYNES:   Go ahead.

17    BY MR. TOWNSEND:

18            Q     And did you review this yesterday after we  
19    had presented this to Mr. Meehan?

20            A     I borrowed a copy from Mr. Gower, yes.

21            Q     What is ESSD?

22            A     Electric supplier services department.

23            Q     What functions do the employees in that  
24    department perform?

1           MR. ROONEY:  Objection, your Honor.  This --  
2   this -- first of all, this is testimony -- this is an  
3   exhibit from the '07 rate case.  It's not part of  
4   this case, and Mr. Meehan went through the  
5   description of the different areas in his testimony.

6           JUDGE HILLIARD:  This document has been  
7   admitted.  I think he can ask a question if it's  
8   foundation or...

9           THE WITNESS:  My understanding of the  
10   activities performed by ESSD are to interface with  
11   retail electric suppliers to manage -- they're DASRS,  
12   D-A-S-R-S, direct access service requests -- when  
13   customers switch suppliers either from ComEd to an  
14   alternative supplier or from an alternative supplier  
15   to ComEd.

16   BY MR. TOWNSEND:

17           Q     And just to be clear, that this -- ComEd  
18   Exhibit 12.3 was something that you sponsored in the  
19   2007 rate case, correct?

20           A     Yes, it is.

21           Q     Would you agree that ESSD costs are common  
22   costs, that is, the ESSD services support both  
23   ComEd's supplier function and its delivery services  
24   function?

1           A     No, they're responsible for interfacing  
2     with suppliers and managing switches of supply.

3           Q     So are you suggesting that ESSD is solely  
4     related to the supply function of ComEd?

5           A     Well, the portion that they identified,  
6     which I guess is 18 percent of the ESSD costs.  
7     Because I'm not familiar with the other activities  
8     other than what was outlined in this document, I  
9     guess I can't comment.

10          Q     Well, I guess, based on this document, you  
11     would conclude that there are other activities that  
12     are delivery services related, correct?

13          A     I don't know what the other activities are.  
14     I suppose you could conclude that, by default,  
15     they're delivery, but I guess I don't know that.

16          Q     But that's what you would conclude looking  
17     at this document, correct?

18          A     Likely, yes.

19          Q     And as you indicated, this document  
20     suggests that ComEd has determined that 18 percent of  
21     the costs associated with the ESSD were related to  
22     supply, right?

23          A     That's correct.

24          Q     And this was done based on an estimate of

1 the activities that the staff in that department  
2 conducted, correct?

3 A That's correct.

4 Q And that determined estimated labor costs  
5 related to the supply function for the ESSD team; is  
6 that correct?

7 A I believe this is all labor, yes.

8 Q And that labor allocator was only used to  
9 allocate the employees' time, right? It wasn't used  
10 to allocate the fixed costs associated with ESSD?

11 A I'm not familiar with what fixed costs ESSD  
12 might have, but this relates only to the labor.

13 Q Well, you could have calculated what fixed  
14 costs ESSD team has, right?

15 MR. ROONEY: Objection, your Honor. He said he  
16 doesn't know what all the functions are at ESSD.

17 JUDGE HILLIARD: Yeah.

18 MR. TOWNSEND: But --

19 JUDGE HILLIARD: I think that's reasonable.

20 BY MR. TOWNSEND:

21 Q But you don't need to know all the  
22 functions in order to be able to understand the fixed  
23 costs associated with the team, do you?

24 JUDGE HILLIARD: You asked him if he could

1 calculate the cost. If he doesn't know what the  
2 function is, how is he going to calculate the cost?

3 Maybe start another question. Try  
4 another question.

5 BY MR. TOWNSEND:

6 Q The fixed costs associated with a  
7 particular team would include what types of costs?

8 A group of employees would have what  
9 type of fixed costs associated with them?

10 MR. ROONEY: Objection. He's asking to witness  
11 to speculate on --

12 JUDGE HILLIARD: No, he -- he's the witness who  
13 ought to know this, it seems to me.

14 Overruled.

15 THE WITNESS: Well, I am not actually the cost  
16 of service witness, but I will attempt to answer.

17 I believe the fixed costs might relate  
18 to computer equipment, the building that they're in,  
19 those type of things.

20 BY MR. TOWNSEND:

21 Q And for some costs, ComEd uses a labor  
22 allocator in order to be able to determine the amount  
23 that's used in the embedded cost of service study,  
24 right?

1           A     I know that there's labor allocators and  
2     general allocators, but that's the extent that I  
3     know.

4           Q     Well, a labor allocate -- well, strike  
5     that.

6                     A similar methodology that was used  
7     for the ESSD team could have been used related to  
8     ComEd's billing services, right?

9           A     For what purpose?

10          Q     There could have been an estimate as to the  
11     amount of time that was devoted to supply-related  
12     issues going through the detail similar to what was  
13     done for the ESSD team, right?

14          MR. ROONEY:  Objection, your Honor.

15                     Mr. Meehan is the witness who prepared  
16     the avoided cost study related to customer care costs  
17     and this witness did not do that.  The question that  
18     was handed off was from Mr. Meehan yesterday to  
19     Mr. Alongi was the derivation of the \$112,000.  
20     Mr. Meehan testified he had never seen this document  
21     before and that's why it was handed off to  
22     Mr. Alongi.

23                     The question he's asking Mr. Alongi to  
24     talk about what took place or what could have taken

1 place in the -- in the development of the avoided  
2 cost study. That's -- that is not within the  
3 testimony of Mr. Alongi and it wasn't deferred to him  
4 yesterday.

5 MR. TOWNSEND: It was deferred to him  
6 yesterday. This is exactly what the line of  
7 questioning that was deferred to Mr. Alongi  
8 yesterday.

9 And -- and I couldn't have gone down  
10 that line with Mr. Meehan because he didn't -- he'd  
11 never seen this document before. This witness, on  
12 the other hand, sponsored this document in the last  
13 rate case.

14 MR. ROONEY: He sponsored a document for  
15 purposes of derivation of \$112,000. What this  
16 question he's asking is for then Mr. Alongi to  
17 compare what took place or could have taken place  
18 with regard to the study in this case.

19 He didn't hand off this entire line of  
20 questioning, clearly. He only handed off the fact  
21 that how this \$112,000 was derived. And I'll get the  
22 transcript here in a moment.

23 JUDGE HILLIARD: You know, this isn't a  
24 tag-team thing. Somebody's got to answer these



1 questions.

2                   The thing with this document yesterday  
3 was that they said it was -- it wasn't his document.  
4 He hadn't seen it before. Either he knows the answer  
5 or he doesn't know the answer, but he should give an  
6 answer.

7           MR. ROONEY: Your Honor, I don't disagree with  
8 the \$112,000. That's not the question that was being  
9 posed, your Honor.

10                   May I ask to have the question read  
11 back.

12           JUDGE HILLIARD: Sure.

13                   (Record read as requested.)

14           JUDGE HILLIARD: Maybe you should -- can you  
15 reformulate that a little bit, make it a little more  
16 concrete?

17 BY MR. TOWNSEND:

18           Q     In order to calculate the costs associated  
19 with the ESSD employee time, there was an estimate of  
20 the amount of time that was related to supply,  
21 correct?

22           A     Correct.

23           Q     And that estimate then was used to be able  
24 to calculate a potential cost or an actual cost that

1     you used in the embedded cost of service study,  
2     right?

3             A     I don't recall if -- if these results went  
4     into the embedded cost of service study. I seem to  
5     recall that they did. I believe that there was a  
6     column called supply administration costs. And then  
7     got allocated.

8                     So if my understanding is correct on  
9     that, then they did get used in the embedded cost of  
10    service study, yes.

11            Q     Using a labor allocator, right?

12            JUDGE HILLIARD: Please turn your cell phones  
13    on silent mode.

14            THE WITNESS: For this particular cost, I guess  
15    you would consider this a type of labor allocator.

16    BY MR. TOWNSEND:

17            Q     And a similar methodology of estimating the  
18    labor for the billing department could have been done  
19    in order to be able to estimate the amount of time  
20    that the employees in the billing department use for  
21    supply-related time, correct?

22            MR. ROONEY: Objection.

23            THE WITNESS: In the --

24            MR. ROONEY: And I guess it's unclear. Are you

1 asking with regard to the study that was done or  
2 could have been done on the customer care cost issue,  
3 Mr. Townsend?

4 BY MR. TOWNSEND:

5 Q Is it possible to conduct a similar type of  
6 analysis for the billing department as what was done  
7 for the electricity supplier services department?

8 JUDGE HILLIARD: Go ahead and answer the  
9 question.

10 THE WITNESS: In the 2007 rate case or in the  
11 current case or either?

12 BY MR. TOWNSEND:

13 Q Either one. Let's do both.

14 A I mean --

15 Q Is there a difference?

16 A In the 2007 rate case, we simply didn't do  
17 that.

18 Q You didn't do it --

19 A Right.

20 Q -- but could you have done it?

21 A I'm not familiar enough with the other  
22 customer care costs to know if they're readily  
23 identified as supply versus delivery.

24 Assuming that they are, I suppose you

1     could say that it could be, but I don't know enough  
2     about that to say that's feasible.

3           Q     Would you agree that a similar methodology  
4     could have been used for the call center to try to  
5     estimate the amount of employee time spent addressing  
6     supply issues in association with the call center and  
7     then allocating the employee time costs?

8           A     My understanding from reading Mr. Meehan's  
9     testimony is that they don't track costs in their  
10    activity by supply versus delivery.  So I would say  
11    no.

12          Q     Just because they don't specifically track  
13    that time, do you think it would be impossible for  
14    them to be able to estimate that time?

15          A     I don't know on what basis you could  
16    estimate it, if it's not tracked.

17          Q     Do you know whether the time associated  
18    with the 18 percent of ESSD costs in 2006 was actual  
19    or estimated?

20          A     I believe it was estimated.

21          Q     Okay.  And so do you believe that they  
22    actually tracked the costs in the ESSD or do you  
23    think that that was based on some other information?

24          A     I think they had a good idea of how they

1     spent their time on certain specific activities which  
2     could be estimated. I don't believe that's the case  
3     with customer care.

4             Q     Did ComEd make that inquiry?

5             A     I don't know. I think that is part what of  
6     Mr. Meehan looked at.

7             Q     Well, when it came to analyzing ComEd's  
8     other customer care costs, aside from the ESSD, ComEd  
9     did not make a similar estimate of the apportion of  
10    employee time that was related to the supply  
11    function, correct?

12            A     That's correct.

13            MR. ROONEY: For what period?

14    BY MR. TOWNSEND:

15            Q     They didn't do it for any period, did they,  
16    Mr. Alongi?

17            A     No.

18            Q     Never have?

19            A     Not to my knowledge.

20            Q     Now, Mr. Meehan agreed yesterday that his  
21    analysis used an avoided cost methodology to try to  
22    answer the Commission's directive in this case about  
23    customer care costs, right?

24            A     That's correct.

1           Q     And you agree that an avoided cost  
2 methodology is different than the embedded cost  
3 methodology that Mr. Merola used in his analysis,  
4 right?

5           MR. ROONEY:   Objection.

6           JUDGE HILLIARD:   What's your objection?

7           MR. ROONEY:   Mr. Alongi didn't present  
8 testimony on the comparisons between the two  
9 analyses.

10          JUDGE HILLIARD:   Well, he can answer the  
11 question if he knows the answer.   If he doesn't know  
12 the answer, he can say "I don't know."

13          THE WITNESS:   They're two different analyses.

14   BY MR. TOWNSEND:

15          Q     Right.   And Mr. Meehan uses avoided cost  
16 methodology and Mr. Merola uses embedded cost  
17 methodology, right?

18          A     Mr. Merola looked at embedded costs and I  
19 think attempted to determine what portion he believed  
20 related to supply versus delivery.   If that's what  
21 you call embedded cost, I agree that's what he did.

22          Q     Well, you agree that embedded cost  
23 methodology requires a number of assumptions, even  
24 including your -- ComEd's embedded cost of service

1 study, correct?

2 A Yes, I would agree. I mean, there's  
3 decisions made on which allocators to use for certain  
4 costs.

5 Q And sometimes you don't even have the  
6 information, right, and so you have to use  
7 engineering judgment or some other judgment, right?

8 A There are certainly judgments that are made  
9 in designing an embedded cost of service study.

10 Q We'll get back to that.

11 But you understand that the initiating  
12 order in this case requires the study that, quote,  
13 analyzes the cost of providing customer care to a  
14 customer taking supply from an alternative supplier  
15 versus the cost of providing customer care to a  
16 customer taking supply from ComEd, right?

17 A That's correct.

18 Q So it specifically requires an analysis of  
19 the cost of providing the customer care, right?

20 MR. ROONEY: Objection, your Honor. The order  
21 speaks for itself, A.

22 B, again --

23 MR. TOWNSEND: I'll withdraw the question. A  
24 and B.

1 BY MR. TOWNSEND:

2 Q It does not -- the order -- it's your  
3 understanding that the initiating order in this case  
4 did not direct ComEd to use an avoided cost  
5 methodology to analyze customer care, correct?

6 A It didn't direct one way or the other.

7 Q It didn't direct ComEd to analyze various  
8 switching scenarios, did it?

9 MR. ROONEY: Okay. This -- Mr. Alongi is not  
10 the witness that testified to customer care costs and  
11 the manner in which the Company conducted the  
12 analysis to meet the requirements of the Commission's  
13 initiating order.

14 JUDGE HILLIARD: Well, I think he can answer  
15 the question if he knows the answer. If he doesn't  
16 know the answer, then he doesn't have to answer.

17 MR. ROONEY: Thank you, your Honor.

18 THE WITNESS: Could you --

19 BY MR. TOWNSEND:

20 Q The Commission did not direct ComEd to  
21 analyze various switching scenarios in order to be  
22 able to calculate its customer care costs, correct?

23 A In the initiating order, I don't recall  
24 seeing anything about analyzing switching statistics



1 specifically, no.

2 Q And the Commission staff didn't present any  
3 testimony in the 2007 rate case or in this proceeding  
4 requesting the Company to use an avoided cost  
5 methodology to analyze customer care costs, did it?

6 A I don't have any recollection of whether  
7 they did or didn't.

8 Q Well, you're aware that the Commission has  
9 indicated a preference for the Company to use an  
10 embedded cost method in its overall cost of service  
11 study, right?

12 A Yes, I believe I've already indicated that  
13 they've endorsed an embedded cost of service study.

14 Q And you're not aware of any other costs  
15 included in ComEd's embedded cost of service study  
16 that are allocated using an avoided cost methodology,  
17 are you?

18 A Not to my knowledge.

19 Q In fact, there's not a single other  
20 category of costs in ComEd's embedded cost of service  
21 study that's allocated using an avoided cost method,  
22 right?

23 A I'm not that familiar with the embedded  
24 cost, but not to my knowledge. I just don't know.

1           Q     You would agree that even under the revised  
2     embedded cost of service study presented in this  
3     proceeding, the percentage rate increases that ComEd  
4     is proposing are substantially higher for the 79  
5     customers in the extra large and high voltage,  
6     over-ten-megawatt customer classes than for other  
7     classes, right?

8           A     In this case?

9           Q     Yes.

10          A     Well, again, we're not proposing any rates,  
11     but we provided some illustrative rates for the  
12     Commission's use.

13                     And the rates for the extra large  
14     load, high voltage and railroad classes if set at  
15     equal percentage of embedded cost, 100 percent would  
16     be larger increases than for the other classes.

17          Q     Substantially larger?

18                     Well, you'd -- I withdraw it.

19                     You would acknowledge that in  
20     Mr. Fults' Figure 1 on Page 24 of his direct  
21     testimony, he presents a chart entitled ComEd's  
22     proposed percentage increase in nonresidential  
23     customer class distribution facility charge using the  
24     revised ECOSS, right?

1           A     Was this --

2           Q     I'll -- yesterday, we marked a portion of

3     that as REACT Cross-Examine -- Cross-Examination

4     Hemphill 5.

5                     May I approach, your Honor?

6           JUDGE HILLIARD:   Yes.

7           MR. TOWNSEND:   Would you like --

8           JUDGE HILLIARD:   No.   Thanks.

9     BY MR. TOWNSEND:

10          Q     And does -- does that accurately reflect

11     the increases that ComEd's revised -- revised ECOSS

12     would result in if the Commission were to adopt that

13     as a basis for setting rates?

14          A     I guess, for one thing, I can't tell in the

15     Column E revised ECOSS PS split what percentage that

16     is in relation to which columns, A, B, C.

17                     There's a column that starts out

18     pre-September 16, '08 rates, which is --

19          Q     I guess --

20          A     -- which is prior to the last rate case.

21          Q     I guess you're looking at the wrong chart.

22     I asked you to look at Figure 1.

23          A     Okay.

24          Q     Does that show the relative magnitude of

1 the rate increases that would result if the  
2 Commission were to adopt ComEd's revised ECOSS?

3 A I believe the bars in the chart in Table 1  
4 relate to the percentages shown in Table 2, and I  
5 still don't have a full understanding of the  
6 percentages in Table 2.

7 Am I missing something?

8 Q No, they certainly relate. I'm just asking  
9 you first about the magnitude of the increases as  
10 reflected in Figure 1.

11 A But I guess what I want to understand, are  
12 those increases from something prior to the last rate  
13 case or are they from the rate case to now?

14 Q Right. Those are increases prior -- from  
15 the rates that were in effect prior to the last rate  
16 case reflecting first the increase that was adopted  
17 in the final order in Docket No. 07-0566, and then  
18 what would happen if ComEd's revised ECOSS that it's  
19 presented in this case were adopted?

20 JUDGE HILLIARD: Are you preparing to answer  
21 the question or are you just --

22 THE WITNESS: I'm trying to understand which  
23 percentage is which.

24 From what I can tell, the percentages

1     that have been calculated in Column E of Table 2  
2     which are reflected in the bars in Table 1 reflect a  
3     change from prior to the last rate case to the  
4     illustrative rates reflecting a primary-secondary  
5     split. And I guess I'm questioning why that's an  
6     appropriate percentage to even look at, for one.

7                     But if it is, the magnitude of the  
8     bars on Table 1 reflect the relative change in rates  
9     from prior to the last rate case, but I would want to  
10    emphasize that's only because it reflects the cost of  
11    service as determined under the embedded cost of  
12    service study.

13                    JUDGE HILLIARD: As opposed to what? As  
14    opposed to actual rates?

15                    THE WITNESS: All I'm trying to clarify is that  
16    the increase results from setting rates based upon  
17    the primary-secondary split based upon cost versus  
18    the rates that are -- were in effect prior to the  
19    last rate case.

20    BY MR. TOWNSEND:

21                    Q     And the Commission set --

22                    A     I mean, to me, we've already made one step,  
23    and that's completely ignored in this comparison and  
24    it exaggerates the percent impact.

1           JUDGE HILLIARD: All right. We can figure that  
2 out. I think -- but this is just arithmetic and  
3 you're comparing the numbers in Column A with the  
4 numbers in Column C, and I think his questions relate  
5 to are the calculations and percentages as  
6 represented in the graph above accurate.

7                       And if you look at the numbers, I  
8 mean, your counsel can argue --

9           THE WITNESS: They're represented -- yeah, I  
10 understand that.

11           JUDGE HILLIARD: -- this isn't a relevant  
12 comparison; but the question is, if you make the  
13 comparison, is that accurate?

14           THE WITNESS: It looks to be accurate and I do  
15 question the relative -- or the relevance --

16           JUDGE HILLIARD: Okay. Fine.

17           THE WITNESS: -- of that comparison.

18                       Thank you.

19 BY MR. TOWNSEND:

20           Q     Now, Mr. Heintz yesterday pointed out that  
21 ComEd did make some modifications to the embedded  
22 cost of service it initially presented in this case,  
23 right?

24           A     I'm sorry. I was out in left field.

1           Q     So, yesterday, we talked about this chart  
2     with Mr. Heintz and he indicated that there were some  
3     modifications to the ECOSS.

4                     So that he was questioning whether the  
5     numbers reflected in Table 2 were updated to reflect  
6     the revised figures in the ECOSS. Do you recall  
7     that?

8           A     Not specifically, but I accept that it  
9     occurred.

10          Q     And ComEd did make revisions in the ECOSS  
11     in your rebuttal testimony, right?

12          A     That's correct, based upon some of the  
13     sampling that we undertook after receiving some  
14     criticism on engineering judgments.

15          Q     Now, the changes that were made did not  
16     result in major changes in the actual cost  
17     allocations, did they?

18          A     No, they -- the changes were fairly  
19     insignificant as far as the overall impact.

20          MR. TOWNSEND: May I approach, your Honor?

21          JUDGE HILLIARD: Yes.

22     BY MR. TOWNSEND:

23          Q     I'll hand you what's being marked as REACT  
24     Cross Exhibit Alongi 14? 15?

1 JUDGE HILLIARD: 19.

2 MR. TOWNSEND: 19.

3 (Whereupon, REACT Cross Alongi  
4 Exhibit No. 19 was  
5 marked for identification  
6 as of this date.)

7 BY MR. TOWNSEND:

8 Q And that's a one-page exhibit that has two  
9 different charts on it. The first chart is entitled  
10 the Summary of Distribution Facility Charges For  
11 Nonresidential Customers, ComEd ECOSS on Direct, and  
12 the second chart is a summary of distribution  
13 facilities' charges for nonresidential customers,  
14 ComEd ECOSS on Rebuttal, correct?

15 A Yes.

16 Q And in Column E, the numbers are virtually  
17 identical between the two, correct?

18 A That's correct.

19 Q And would you agree that in order to be  
20 able to determine the distribution facilities'  
21 charges on rebuttal, that it would be appropriate to  
22 look at ComEd Exhibit 6.3-B?

23 A I believe that's the correct exhibit for  
24 the primary-secondary only.



1           Q     And so the percentages don't really vary or  
2 perhaps vary by one percent in terms of the  
3 differences between your direct testimony and your  
4 rebuttal testimony, right?

5           A     Very small variance, correct.

6           Q     And in Mr. Fults' rebuttal testimony, he  
7 put the percentage into real dollar figures, right?

8           A     As I recall, he did some calculations for,  
9 I guess what I would describe as hypothetical  
10 customers.

11          Q     And I think that we distributed that  
12 yesterday as a cross exhibit with Mr. Hemphill as  
13 well. Do you have in front of you REACT  
14 Cross-Examination Exhibit Hemphill 6?

15          A     No.

16          MR. TOWNSEND: May I approach, your Honor?

17          JUDGE HILLIARD: Yes.

18          BY MR. TOWNSEND:

19          Q     Do you now have in front of you what has  
20 been previously marked as REACT Cross-Examination  
21 Exhibit Hemphill 6?

22          A     Yes, I do.

23          Q     And does that reflect the increases that  
24 the various hypothetical customers would receive if

1 the Commission were to accept the embedded cost of  
2 service study that ComEd has proposed in this rate  
3 case?

4 A Again, I'll just try to clarify. We  
5 haven't proposed any rates in this proceeding.

6 Q I understand. If the Commission were to  
7 accept ComEd's embedded cost of service study that it  
8 presented in this case as a basis for setting rates,  
9 do you agree that those are the increases that those  
10 customers would receive?

11 A Can't say I've gone through the math.  
12 I'm assuming what Mr. Fults did was  
13 take the demands that he shows as customer size and  
14 probably for simplicity, multiplied that demand by  
15 the distribution facilities charge in effect at  
16 whatever time you're looking at and based upon  
17 whatever exhibit. And I'm assuming he did the math  
18 correctly.

19 Q Well, first of all, it does note at the  
20 bottom of that as to how it is that he calculated  
21 this, right?

22 It says, The increase is calculated by  
23 multiplying the monthly kW times 12 months times the  
24 dollar per kW increase in distribution facilities

1 charge, right?

2 A Yes.

3 Q And that was presented in his direct  
4 testimony, right?

5 JUDGE HILLIARD: I mean, this is on rebuttal.  
6 Do we really need to go through this?

7 THE WITNESS: This is rebuttal, I think.

8 BY MR. TOWNSEND:

9 Q I'm sorry. It's rebuttal testimony, right?

10 A Yes.

11 Q And ComEd didn't present its own analysis  
12 of customer impacts of its proposal -- of its  
13 embedded cost of service study, did it?

14 A We provided impacts for certain customer  
15 classes. We didn't do individual customers and we  
16 didn't provide total bill impacts for customers over  
17 400 kilowatts, as I recall.

18 Q And are you aware of --

19 A So, I mean, we didn't do a comparable  
20 analysis like this.

21 Q And are you aware of any ComEd witness that  
22 questioned Mr. Fults' calculation of the dollar  
23 impact of ComEd's proposed ECOSS upon these  
24 customers?

1           A     No, I don't have any recollection of that.  
2     No.

3           Q     Now, this is a question that Dr. Hemphill  
4     directed to you.

5                     Are you aware of any substantial  
6     change in usage patterns among the over-ten-megawatt  
7     customers in the last few years that would justify  
8     that huge increase?

9           A     I'm not aware of any change in usage.  But  
10    what is driving the change is trying to institute  
11    costs -- or charges that are based upon the class  
12    costs.

13          Q     Based upon ComEd's embedded cost of service  
14    study that the Commission said that was problematic  
15    to use or rely upon for setting rates, right?

16          A     Well, this compared --

17          MR. ROONEY:  Objection -- objection to the  
18    question, your Honor.

19          JUDGE HILLIARD:  It's argumentative.  
20    Sustained.

21    BY MR. TOWNSEND:

22          Q     So I'm sorry.  You agree then that there  
23    was not a change in the usage patterns of the  
24    over-ten-megawatt customers that drove that change,

1 correct?

2 JUDGE HILLIARD: Asked and answered.

3 Sustained.

4 BY MR. TOWNSEND:

5 Q You're not aware of any substantial change  
6 in the amount of ComEd plant that was used to provide  
7 service to the over-ten-megawatt customers in the  
8 last few years that would justify that enormous rate  
9 increase, are you?

10 A That's part of the embedded cost of service  
11 study and I'm not aware of any such change.

12 Q Would you agree that ComEd lacks direct  
13 knowledge of how some costs are incurred?

14 A There's many, many departments that manage  
15 their own budgets and I assume that those departments  
16 know what causes the costs of their departments to be  
17 incurred.

18 So I don't believe that there's that  
19 lack of understanding what drives costs.

20 Q Well, REACT has repeatedly asked for  
21 information about facilities that are used to serve  
22 the largest customers, right?

23 A Yes.

24 Q And ComEd has repeatedly said that it

1 doesn't have that information, right?

2 A We've made available certain information  
3 that includes one-line diagrams, circuit maps of the  
4 facilities that serve the nine REACT customers. So  
5 from a facilities standpoint, I think that  
6 information has been made available.

7 What is difficult, if not impossible,  
8 to do is tie actual costs to those facilities.

9 Q Well, actually, with regards to the nine  
10 REACT members, you didn't provide information with  
11 regards to three of them, right?

12 A Don't recall offhand. That may be the  
13 case.

14 Q Well, Mr. Fults noted that in his rebuttal  
15 testimony, right, that ComEd failed to provide any  
16 information with regards to three of the nine  
17 members?

18 A I do recall Mr. Fults testifying to that.

19 Q And you didn't take issue with that  
20 statement, did you?

21 A No.

22 Q Are you aware of any other ComEd witness  
23 that took issue with that statement?

24 A No.

1           Q     And do you have any basis to take issue  
2     with that statement?

3           MR. ROONEY:  Objection, your Honor.  At this  
4     point, this is a discovery dispute.

5                     If he's asserting that we didn't  
6     provide -- we've been down this road a lot of times.  
7     And if he's trying to go down a discovery dispute, he  
8     should have brought a proper motion for doing so.

9           JUDGE HILLIARD:  Well, I think he can answer  
10    the question.

11          THE WITNESS:  I just don't recall if we  
12    provided off -- or provided -- made available these  
13    one-line diagrams and circuit maps for all nine or  
14    for six of the nine.  I just don't recall.

15    BY MR. TOWNSEND:

16          Q     You admit that ComEd has repeatedly invoked  
17    the term "engineering judgment" to explain its cost  
18    approach in this proceeding, right?

19          A     Yes.

20          Q     And it -- ComEd used engineering judgment  
21    because it claimed it lacked direct knowledge  
22    regarding certain costs, right?

23          A     We lacked specific data that could tell us  
24    specifically whether certain facilities were primary

1 or secondary. That was the context in which we used  
2 those engineering judgments.

3 Q And you'll acknowledge that a number of  
4 parties, including Commission Staff and REACT, raised  
5 questions about the validity of using engineering  
6 judgment to answer the questions that the Commission  
7 raised, right?

8 A There were several parties that expressed  
9 concerns about the accuracy of the analysis that was  
10 performed because we did use engineering judgments,  
11 yes.

12 Q And as it turned out, your rebuttal  
13 testimony acknowledged that ComEd made a number of  
14 inaccurate assumptions when it relied solely upon its  
15 engineering judgment, right?

16 A Some of our engineering estimates or  
17 judgments were revised. They were adjusted, yes.

18 Q And ComEd reached that conclusion after it  
19 undertook some extremely limited visual sampling of a  
20 limited number of physical facilities, right?

21 A We looked at maps. And I guess by the  
22 visual inspection, I think the visual inspection was  
23 of certain maps; not the facilities in the field  
24 itself.



1           Q     But you agree that the sampling was very  
2     small, right?

3           A     Right. We had a very limited amount of  
4     time between the time that we received staff and  
5     intervenor direct testimony to the time we had to  
6     file rebuttal. And in that short period of time --

7           JUDGE HILLIARD: It's just a yes or no  
8     question. Now, either you agree or you don't agree.

9           THE WITNESS: Can I ask what the question was?  
10    BY MR. TOWNSEND:

11          Q     Yeah. It was a really tiny sample size,  
12     right?

13          A     Yes.

14          Q     And REACT wasn't alone in questioning the  
15     size of the samples, right?

16          A     I don't recall.

17          Q     Well, do you recall staff witness Lazare  
18     saying that the sampling analysis demonstrates the  
19     limitation of using engineering judgments alone to  
20     identify primary and secondary costs on the ComEd  
21     system and that there's a clear need to expand the  
22     scope of visual inspections to test those judgments  
23     and produce an accurate analysis of primary and  
24     secondary costs?

1           A     Yes, I do recall him testifying to that.

2           Q     And you didn't take issue with Mr. Lazare's  
3     statement in your surrebuttal testimony, did you?

4           A     No.

5           Q     And neither did any other ComEd witness,  
6     did they?

7           A     I don't believe so.

8           Q     And in your rebuttal testimony, ComEd  
9     offered new testimony and analysis with regards to a  
10    number of inputs for the embedded cost of service  
11    study, correct?

12          A     In relation to the primary-secondary  
13    analysis, yes.

14          Q     For example, you talked to Mr. Gower about  
15    the wood poles 50 feet or less. Do you recall that?

16          A     Yes.

17          Q     And you admit in your rebuttal testimony  
18    that ComEd's original assumption regarding the  
19    percentage of wood poles 50 feet or less that have  
20    secondary facilities attached was flawed, right?

21          A     I acknowledged that there was a change in  
22    the percentage, yes.

23          Q     And that was based on a very limited review  
24    of poles, correct?

1           A     Very limited review of maps that showed  
2     primary and secondary on poles.

3           Q     And ComEd offered no justification in its  
4     testimony for the number of poles that it actually  
5     examined on the maps, did it?

6           A     Not in testimony. But as I started to say,  
7     we had very limited time and we had to mobilize the  
8     engineering people to help us get the data.

9           Q     And the result with regards to that  
10    analysis of the wood poles 50 feet or less as a  
11    result of the limited visual inspection was a  
12    substantial change in that input, correct?

13          A     I'd have to take a look.

14          Q     Would you accept, subject to check, that  
15    the change was about 20 percent after performing that  
16    very limited visual inspection?

17          MR. ROONEY: Objection. I'm not sure where  
18    this cross is going since Mr. Townsend's already  
19    crossed him on the fact that there was a very small  
20    change in the result of the -- after the revisions  
21    were made.

22          JUDGE HILLIARD: You know, I think you've  
23    established that there's a substantial difference and  
24    it's all based on a small sample size. I'm not sure

1     where you're going with this.

2             MR. TOWNSEND:   I was just trying to get on the  
3     record the magnitude.   It was over 20 percent, your  
4     Honor.   I don't think we've got that.

5             JUDGE HILLIARD:   All right.   Can you answer  
6     that question?

7                     Can you agree with his estimate that  
8     it was 20 percent?

9             THE WITNESS:   I'd like to know how he derived  
10    it.

11    BY MR. TOWNSEND:

12             Q     You started off with 28.5 percent of those  
13    poles having secondary facilities attached, correct?

14             A     Yes.

15             Q     And you ended up with 23.5 percent, right?

16             A     That sounds familiar.

17             Q     Okay.   And that's about a 20 percent  
18    reduction, correct?

19             JUDGE HILLIARD:   5/28ths; is that about right?

20             THE WITNESS:   It's about 20 percent.

21    BY MR. TOWNSEND:

22             Q     And, likewise, with the wood poles over 50  
23    feet.   After the limited visual inspection, you also  
24    adjusted that number by about 20 percent, right?

1           A     I recall an adjustment and I accept,  
2     subject to check, that it was 20 percent.

3           Q     Now, the sample sizes chosen by ComEd were  
4     not the result of a professional statistical  
5     analysis, right?

6           A     No. As a result of the time in which we  
7     had to do the sampling.

8           Q     Did ComEd do any sampling from the time  
9     that the Commission initiated this proceeding up  
10    until the time of the intervenors submitting direct  
11    testimony?

12          A     We did use actual data from the SEGIS  
13    (phonetic) system when it was available, if that's  
14    what you call by sampling.

15                   I think when you have the data, that  
16    is a form of sampling. So, yes.

17          Q     Did ComEd do any further sampling since it  
18    filed its rebuttal testimony on June 19th?

19          A     No.

20          Q     And the type of sampling that ComEd  
21    personnel did is not within their normal job duties,  
22    right?

23          A     I would think not.

24          Q     Just like it's not within your department's

1 normal job duties to perform an embedded cost of  
2 service study, right?

3 A Well --

4 JUDGE HILLIARD: I think that's a rhetorical  
5 question and you don't have to answer it.

6 BY MR. TOWNSEND:

7 Q Well, ComEd hired Mr. Heintz and his  
8 company to perform the embedded cost of service study  
9 in the last rate case and also performed the  
10 revisions to the ECOSS in this case, right?

11 A That's correct.

12 Q But ComEd has not retained an outside  
13 consultant to perform the sampling of its facilities,  
14 correct?

15 A Correct.

16 Q And neither has ComEd retained an outside  
17 consultant to study ComEd's operations and  
18 organization to determine how to allocate customer  
19 care courses, right?

20 A That's correct.

21 Q Mr. Meehan was assigned the task, right?

22 A Yes.

23 Q And according to his testimony, he was told  
24 what analytical approach would be taken by Ms. Clair,

1 right?

2 MR. ROONEY: Objection that's beyond the scope  
3 of this witness's testimony.

4 JUDGE HILLIARD: It's also asked and answered.  
5 If you know the answer to the  
6 question, you can answer.

7 THE WITNESS: Based upon Mr. Meehan's testimony  
8 yesterday, he was directed by Ms. Clair, yes.

9 BY MR. TOWNSEND:

10 Q ComEd could have retained an outside  
11 consultant to undertake the visual inspections in the  
12 customer care analysis, couldn't it?

13 A It's a budget question; but assuming  
14 there's dollars in the budget, I suppose that could  
15 happen.

16 Q And the Commission itself could retain an  
17 outside consulting firm to perform those analyses,  
18 right?

19 A I'm certainly sure that the Commission  
20 could do that if they chose to.

21 Q And the Commission has retained outside  
22 consultants to study utility operations in the past,  
23 right?

24 A Yes.

1           Q     Now, there's been some testimony about the  
2     cost and benefit judgments and whether it's worth it  
3     for ComEd to undertake some study because of the  
4     benefit might not justify the cost, right?

5           A     Yes.

6           Q     And you were in the room yesterday when we  
7     discussed the magnitude of the rate increases,  
8     correct?

9           MR. ROONEY: Clarify that question. ComEd's  
10    not proposing any rate increases in this case.

11   BY MR. TOWNSEND:

12          Q     When I say "rate increases," what I mean --  
13    and if you have any question, you can again ask me to  
14    clarify it, Mr. Alongi.

15                   When I refer to rate increases, I'm  
16    referring to the rate increases that would result if  
17    the Commission were to adopt the embedded cost of  
18    service study that the Company's put forward in this  
19    proceeding.

20                   Do you understand that?

21          A     Yes.

22          Q     And are you all right with that as a ground  
23    rule going forward?

24          A     Sure. It helps. Thank you.



1           Q     For individual extra large customers, we're  
2     talking about increases of hundreds of thousands, if  
3     not millions, of dollars a year for the delivery  
4     services portion of their electricity bills, right?

5           A     That could very well be, but that's just  
6     the delivery portion of their overall bill.

7           Q     They could have all sorts of other costs,  
8     but we're only focused on ComEd's service to them  
9     which is the delivery services, right?

10          A     Yes.

11          Q     And those costs are annual increases,  
12     right; that is, they recur on an annual basis?

13          A     Assuming the customer continues to use  
14     electricity in the same way that they did when the  
15     rates were set, I would expect the customer to see  
16     those increases year after year thereafter for their  
17     distribution.

18          Q     And they may go up after ComEd's next rate  
19     case, right, whenever that might be?

20          A     That could very well be.

21          Q     Has ComEd told the extra large customers  
22     when the next rate case is going to be filed?

23          A     Not to my knowledge. I don't know when the  
24     next rate case is going to be filed.

1           Q     Has ComEd investigated what it would cost  
2     if the Commission were to retain an independent third  
3     party to analyze ComEd's cost of providing delivery  
4     services to its largest customers?

5           A     Not to my knowledge, no.

6           Q     Has ComEd investigated what it would cost  
7     if the Commission were to retain an independent third  
8     party to analyze the appropriate allocation of  
9     customer care costs between the delivery and supply  
10    functions?

11          A     No, not to my knowledge.

12          Q     Now, you did make an estimate of what you  
13    thought it would cost for ComEd to respond to REACT  
14    Data Request 2.38 that was looking for cost data for  
15    the REACT members or the -- actually, the extra large  
16    customers and the customers with high voltage demands  
17    over ten megawatts, correct?

18          A     I consulted with some engineering people  
19    and they provided the estimate that I cited in my  
20    affidavit.

21          Q     You actually presented an affidavit that  
22    estimated it would cost about a million dollars to do  
23    that work, right?

24          A     Yes.

1           Q     And the affidavit estimated that it would  
2     take a minimum of 12 months, right?

3           A     Yes.

4           Q     So it's one million dollars, 12 months,  
5     right?

6           A     Yes.

7           Q     And that's one time; nonrecurring, right?

8           A     That's correct.

9           Q     So to put that in perspective, you  
10    acknowledge that the rate increase implied by the  
11    revised ECOSS that ComEd has proposed here would  
12    result in certain extra large customers individually  
13    receiving increases in excess of two million dollars,  
14    right?

15          A     Based upon Mr. Fults' calculations.

16          Q     Annually and recurring, right?

17          A     Yes.

18          Q     And although it would take some time to do  
19    the study, you agree that it's not unusual for time  
20    to pass in connection with Commission studies in  
21    cases, right?

22          A     For time to pass?

23          Q     Yeah. When the Commission has hired  
24    outside consultants, it takes some time for them to

1 go in and --

2 A Oh, yeah.

3 Q -- obtain the information?

4 A Yes.

5 Q Right. And Mr. Fults pointed to a number

6 of instances where the Commission has hired outside

7 consultants, and you're familiar with the Commission

8 hiring outside consultants to look at ComEd's

9 facilities, right?

10 A Yes.

11 Q So you'd agree with me that neither the

12 cost you've suggested nor the timing you've suggested

13 would prevent the Commission, if it chose to do so,

14 to retain an independent third party to conduct the

15 work needed to provide the kind of information that

16 REACT has been seeking in this proceeding, right?

17 A I think that's fair to say, yes.

18 Q Now, you know that in a supplemental

19 response to the data request after your affidavit was

20 submitted, ComEd suggested an alternative methodology

21 for a study that would have cost less than a million

22 dollars and would have been completed more quickly,

23 right?

24 A Yes.

1           MR. TOWNSEND: No further questions.

2           JUDGE HILLIARD: Is that it?

3           MR. ROONEY: Can we have a couple minutes for

4 redirect, your Honor?

5           JUDGE HILLIARD: Okay.

6           MR. TOWNSEND: I'm sorry. Before we go, can we

7 move for the admission of REACT Cross Alongi 19?

8           JUDGE HILLIARD: Any problem with that?

9           MR. ROONEY: No.

10          JUDGE HILLIARD: All right. Cross-Exam Alongi

11 Exhibit -- REACT Cross-Exam Exhibit 19 will be

12 admitted.

13                           (Whereupon, REACT Cross Alongi

14                           Exhibit No. 19 was

15                           admitted into evidence as

16                           of this date.)

17                           (Recess taken.)

18          JUDGE HILLIARD: Back on the record.

19          MR. TOWNSEND: Your Honor, there is one cleanup

20 matter.

21                           REACT Cross Exhibit Meehan 10 has not

22 been moved into evidence yet and we would like to do

23 so now.

24          MR. ROONEY: No objection.

1 JUDGE HILLIARD: Meehan 10 will be -- REACT  
2 Meehan Cross Exhibit 10 will be admitted in the  
3 record.

4 MR. TOWNSEND: Thank you.

5 (Whereupon, REACT Meehan Cross  
6 Exhibit No. 10 was  
7 admitted into evidence as  
8 of this date.)

9 MR. ROONEY: Your Honor, I have a few questions  
10 for redirect for Mr. Alongi.

11 JUDGE HILLIARD: Proceed.

12 REDIRECT EXAMINATION

13 BY

14 MR. ROONEY:

15 Q Mr. Alongi, you recall being asked  
16 questions about the revisions to your primary and  
17 secondary analysis based on your initial inspections  
18 of maps?

19 A Yes.

20 Q And you recall Mr. Townsend's questions  
21 about the percentage magnitude of the changes in the  
22 different results in the primary-secondary study?

23 A Yes. They were fairly small.

24 Q And are those the results that are

1 reflected on REACT Cross Exhibit Alongi 19?

2 A Yes. I mean, the ultimate change was  
3 fairly small.

4 Q From a dollar perspective within the cost  
5 study?

6 A Yes.

7 Q During Mr. Townsend's cross-examination, he  
8 asked you some questions about whether you were aware  
9 of any changes in usage or costs for the extra large  
10 class of customers that would result in the -- I  
11 don't know what adjective he used to describe the  
12 increase, but it was certainly colorful -- of the  
13 increase over existing rates.

14 Do you recall that line of  
15 questioning?

16 A Yes, I do.

17 Q Mr. Alongi, if it wasn't usage and it  
18 wasn't additional costs invested in for those  
19 customers, then what's driving this increase in costs  
20 and also resulting in the illustrative rates to those  
21 customers?

22 A It's the change in allocation of cost to  
23 the customer classes based upon the embedded cost of  
24 service study, and the -- those changes are

1 illustrated in Table 7 -- or S-7 of ComEd Exhibit  
2 10.0, corrected, on Page 40.

3 And what that table shows is current  
4 responsibility for revenue recovery in the second  
5 column designated as responsibility at current rates.  
6 And then the sixth column over shows the  
7 responsibility with all the changes at a hundred  
8 percent EPEC, and the rightmost column shows the  
9 change from current. And the rightmost column shows  
10 the changes in revenue responsibility for each of the  
11 classes. And what it shows is that the extra large  
12 load, high voltage and railroad class are allocated  
13 additional costs based upon the cost study which they  
14 were not allocated previously because, in essence,  
15 they were being subsidized.

16 Q Are you saying that they weren't -- they're  
17 not paying their cost of service under current rates?

18 A Correct.

19 Q And if they're being subsidized, who's  
20 paying that subsidy?

21 A The other nonresidential classes.

22 Q And that's also reflected here in  
23 Table S-7?

24 A Yes. I mean, the change in allocations are



1 shown in the rightmost column. The -- and,  
2 basically, what -- the amount that was being  
3 subsidized is the amount that are those differences.

4 Q Okay. Thank you, Mr. Alongi.

5 Do you recall questions from Mr. Gower  
6 regarding the current revenues being recovered under  
7 rates from the railroad class and -- which was \$4.9  
8 million?

9 A Yes.

10 Q And that under illustrative rates, the  
11 revenues collected from the railroad class would be  
12 approximately \$7.5 million?

13 A Yes.

14 Q The explanation you just provided for these  
15 the extra large customers, would that same  
16 explanation be applicable to the railroad class?

17 A Yeah. Basically, what it amounts to is the  
18 railroad class is paying two-thirds of the cost of  
19 their service. And the other classes, I think, are  
20 paying about 60 percent of the cost of their service,  
21 the high voltage and the extra large.

22 MR. ROONEY: Thanks, your Honor.

23 We have no further questions.

24 JUDGE HILLIARD: Recross?

1 MR. TOWNSEND: Thank you, your Honor.

2 RECROSS-EXAMINATION

3 BY

4 MR. TOWNSEND:

5 Q Mr. Alongi, you said that the customers in  
6 the extra large class are not paying their cost of  
7 service, right?

8 A Right.

9 Q And that assumes that you know the cost to  
10 serve those customers, right?

11 A It's based upon the embedded cost of  
12 service study that we prepared, yes.

13 Q And the only evidence that's presented here  
14 is the embedded cost of service study with regards to  
15 those costs, right?

16 A Yes.

17 Q And the embedded cost of service study that  
18 you've presented in this case is very similar to the  
19 embedded cost of service study that was presented in  
20 the 2007 rate case, right?

21 A It's been adjusted to include a  
22 primary-secondary split. It's been adjusted to  
23 include allocation of residential uncollectibles  
24 evenly across the four residential classes, and it's

1     been adjusted to reflect the change in services  
2     allocation identified by Mr. Lazare.

3           Q     And even with those adjustments, you'd  
4     agree that, bottom line, it's very similar to the  
5     embedded cost of service study that was presented in  
6     2007 rate case, right?

7           A     I think the results are similar, yes.

8           Q     And the impact on extra large customers are  
9     similar, right?

10          A     Yes.

11          Q     And the Commission rejected the embedded  
12     cost of service study that was presented in the 2007  
13     rate case for the purposes of setting rates for the  
14     extra large customers, right?

15          MR. ROONEY:  Objection.  That -- that --

16          MR. TOWNSEND:  We'll withdraw the question.

17          MR. ROONEY:  Thank you.

18          JUDGE HILLIARD:  Anybody else, recross?

19          MR. GOWER:  One quick question, Mr. Alongi.

20                    RECROSS-EXAMINATION

21                    BY

22                    MR. GOWER:

23          Q     Your testimony about the railroad class not  
24     paying -- or paying only about two-thirds of its

1 costs, that's based on the assumption that you have a  
2 valid cost of service study, isn't it?

3 A It's based upon the assumption that the  
4 embedded cost of service study appropriately and  
5 reasonably reflects the cost of service, yes.

6 Q Okay. And if there were flaws in that  
7 study, you couldn't make that statement, could you?

8 MR. GOWER: I'll withdraw the question.

9 Nothing further.

10 JUDGE HILLIARD: Anybody else?

11 Okay. Is there anything else we need  
12 to discuss or talk about?

13 MR. ROONEY: Your Honor, I don't know. I think  
14 there's one witness that filed testimony. It's the  
15 AG and I don't think they've offered anything into  
16 evidence at this point.

17 I didn't see anyone from the AG here  
18 today. So I just raise that observation because I  
19 know certain other testimony has been admitted in  
20 response to that.

21 JUDGE HILLIARD: All right. Well, maybe we can  
22 leave the record open for that purpose, and I'll send  
23 an e-mail to the AG's office and ask them what their  
24 preference is.

1                   What? You have something you want to  
2 talk about?

3           JUDGE HAYNES: (No response.)

4           JUDGE HILLIARD: Is there anything further from  
5 anybody?

6                   All right. We'll -- we've already set  
7 a briefing scheduled; is that right?

8           MR. ROONEY: Correct.

9           JUDGE HILLIARD: And the briefs are due in?

10          MR. ROONEY: November 20th and December 7th.

11          JUDGE HILLIARD: Anything else?

12                   I don't think so. All right. We'll  
13 be adjourned then for the evening.

14

15                               (Sine and die)

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